

## Vatican Condemns U.S., but Presses Noriega to Get Out

By Jennifer Parmelee  
Washington Post Service

VATICAN CITY — The Vatican said Friday that its envoy to Panama was trying to persuade General Manuel Antonio Noriega to leave his mission, and that he had lodged a complaint against U.S. "interference" in its affairs.

A papal spokesman, Joaquín Navarro, called the behavior of U.S. troops blasting radio masts at the Vatican mission in Panama, where General Noriega took refuge, "a very serious matter" that defied international law.

[In an apparent bid to ease tensions over the situation, the chief White House spokesman, Martin Fitzwater, said the Roman Catholic Church was "doing a fine job" in its deliberations over the fate of General Noriega, the Associated

The army says a body has been found, but cannot confirm reports two hostages were killed. Page 3.

Press reported from Corpus Christi, Texas.

"It's a very difficult situation, very tense circumstances," Mr. Fitzwater said.

Mr. Navarro said that in the Vienna Convention, the postwar international agreement that established diplomatic protections and immunities, "it is very clear that you cannot interfere with the diplomatic activity of a diplomatic mission."

Mr. Navarro reiterated the Vatican's determination not to hand over General Noriega to the U.S. forces.

"An occupying power cannot interfere with the work of a diplomat in mission or demand that a person who is seeking asylum there be handed over to it," he said.

[In Washington, a State Depart-

ment deputy spokesman, Richard Boucher, took issue with the description of the United States as an occupying power, the Associated Press reported.

"We are down there with the consent of the government of Panama, the legitimately elected leaders of Panama," Mr. Boucher said. "That means we're not an occupying power."

Mr. Navarro said that the Vatican envoy, or papal nuncio, in Panama, José Sebastián Laboa, "is doing his best to convince General Noriega to abandon the nunciature on his own, by himself."

Mr. Laboa "cannot force Noriega to leave nor, for reasons we have already discussed, can he consign him to U.S. forces, which would be a decision against the principles of international law," Mr. Navarro said.

Mr. Navarro said that the intense diplomatic contacts between the Vatican and the United States continued in an atmosphere of mutual respect.

The Vatican spokesman said that the diplomatic crisis would be resolved in "a matter of days."

Meanwhile, officials at the U.S. Embassy in Vatican City said Friday they were in a holding pattern while negotiations continued. "We've made our positions clear," a U.S. official said. "Now we're waiting for the responses to these positions."

Just how the new Panamanian government was communicating with the Vatican was not clear.

Although President Guillermo Endara of Panama, installed after the U.S. intervention, apparently wrote to Pope John Paul II asking him to hand over General Noriega, Mr. Navarro said there had been no formal contact between the two sides.

Mr. Navarro stressed that General Noriega was granted "temporary diplomatic refuge," which of ten means the person will go to a third country offering sanctuary.

He defended the papal nuncio's decision to allow the deposed Panamanian leader into the mission, saying "protection" was granted only on the explicit condition that the armed struggle from General Noriega's supporters "would not continue."

The papal nuncio's decision to protect General Noriega was also defended by the Panamanian bishops' conference and by Cardinal John J. O'Connor of New York.

The playing of loud rock music outside the embassy by the U.S. soldiers encircling the facility was described by one Vatican official as "unacceptable behavior."

"To be outside a friendly embassy in a third country, blasting in David Bowie at high volume, is certainly very unusual behavior diplomatically," the Vatican official said.

## Havel, Now President, Vows Free Czech Elections

By Craig R. Whitney  
New York Times Service

PRAGUE — Vaclav Havel, the Czechoslovak writer whose insistence on speaking the truth about repression in his country repeatedly cost him his freedom over the past 21 years, was elected president on Friday.

Joyous crowds thronged the medieval Hradcany Castle high above the city to see him inaugurated amid the splendor of a pontifical Te Deum Mass.

"Dear friends," he told the thousands of people — students, skinheads, pensioners and priests — who surged into the castle courtyard to celebrate their redemption of freedom this year, "I promise you I will not betray your confidence. I will lead this country to free elections."

"This must be done in an honest and calm way, so that the clean face of our revolution is not soiled. That is the task for all of us."

Earlier, nominating the 53-year-old playwright in a public election held in the castle by the Federal Assembly on Friday morning, with the diplomatic corps present and national television broadcasting the proceedings, the country's Communist Prime Minister, Marian Calfa, said that Mr. Havel had insisted on free parliamentary elections next year as a precondition to taking office.

Before he had accepted the nomination to the mostly symbolic post of the presidency, Mr. Calfa said, Mr. Havel had said he would serve only until a new parliament could be elected to choose a new president for a regular five-year term.

"He has won the respect of all," Mr. Calfa said. "He never accepted the suggestions of friends or foes that he go into exile, and bore the humiliation of a man oppressed and relegated by those in power to the margins of society. Your vote for Vaclav Havel will be a vote for ensuring the human rights of every citizen of our country."

Alexander Dubcek, the country's Communist Party leader until the invasion by Soviet and other troops from Warsaw Pact countries ended the Prague



Vaclav Havel signing the Presidential Pledge after his election Friday as president of Czechoslovakia.

Spring of 1968, called, as newly elected chairman of the legislature, for other nominations, but there were none. All 323 deputies present voted for Mr. Havel.

Mr. Dubcek and Mr. Calfa left the 16th-century ceremonial hall to fetch the new president, somber in a dark blue suit, and swear him in with an oath revised by the legislature only Thursday in order to delete a pledge of loyalty to the cause of socialism.

After a 20-gun salute, a military band and his improvised, brief speech, Mr. Havel went into St. Vitus Cathedral for the Mass, presided over by Cardinal Frantisek Tomasek, the country's Roman Catholic primate and bishop of Prague.

Mr. Havel's first foreign visit, announced Friday, will be to East and West Germany beginning Jan. 2, the state news agency, Ceteka, reported.

Mr. Havel, son of an upper-class civil engineer, was barred from university by the Communist government because of his class background after he finished schooling in 1951.

Now, the students of Prague, many of them children of the Communist ruling class, have made Mr. Havel their intellectual hero, and they have been on strike since the demonstrations Nov. 17 that sparked the peaceful revolution that overthrew the long repression. Their strike was expected to end Friday, with his election.

Mr. Havel, whose most recent prison term was for participating in a demonstration last January in memory of Jan Palach, a student who immolated himself 20 years ago in protest against the crushing of the Prague Spring, is expected to end Friday, with his election.

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## Securitate Sets Off New Fears

Romania Leaders Cite Risk but See No Countercoup

Compiled by Our Staff From Dispatches

BUCHAREST — The National Salvation Committee said Friday that its members faced assassination threats from renegade gunmen as sporadic gunbattles continued in Bucharest and other Romanian cities.

Cazimir Ionescu, vice-president of the committee, said at a news conference that gunmen of the Securitate, the state security police, still posed a threat, but he ruled out a countercoup.

He said that the 145 members of the committee, which has been running the country since President Nicolae Ceausescu was deposed

Mr. Ceausescu was reportedly held in an armored car for three days before his execution. Page 2.

and executed, were assassination targets and were being transported in armored troop carriers for their safety.

Defense Minister Nicolae Militaru issued a final demand for forces loyal to Mr. Ceausescu to surrender or face death by military firing squad.

The committee had ordered the Securitate holdouts to surrender by 5 P.M. Thursday or face execution.

"The situation is calm although there is still some fighting," General Militaru said on Bucharest radio. He said that sporadic gunbattles were continuing in Bucharest and other cities.

Mr. Ionescu said that several thousand Securitate officers had been arrested, but that hundreds still remained at large.

"It is not their numbers that matter," he said. "It is the quality of their training and their weapons that are important."

The deputy foreign minister, Corneliu Bogdan, said the government could not yet say how many had turned themselves in. He said that the prisoners included some generals and high-ranking officers from the hated security force.

Moving to consolidate its hold, the new leadership issued a lengthy communiqué late Thursday in which it pledged to abolish one-party rule and establish a democratic, multiparty system.

The committee changed the country's official name from the Socialist Republic of Romania to just Romania, and it removed the communist symbol from the Romanian flag.

It also called for freedom of the press and minority and religious rights.

Asked if the leadership would honor the April elections, Mr. Ionescu said that the committee would "do anything possible to respect this time limit" because it was "imposed by the people themselves."

The committee, acting as an interim government pending free elections, said.

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## Ceausescu Aim: 'North Africa'

International Herald Tribune

PARIS — Silviu Brucan, former Romanian ambassador to the United States and the United Nations and now a member of the National Salvation Committee, said in an interview Friday that Nicolae Ceausescu had been heading for "a North African country" when he was intercepted by Romanian soldiers last week.

In an interview with Le Monde, Mr. Brucan said a plane had been prepared at a military airport at Botosani, northwest of Bucharest, to help the dictator flee.

When asked by a reporter whether Mr. Ceausescu had planned to escape to Libya, Mr. Brucan replied: "That's likely, but it isn't known exactly where."

But the scrapping of seniority in House rules and the great increase in the cost of campaigns, among other things, has meant there are no whales anymore but many smaller fish — and even those of minnow proportions can have some influence.

There are 144 subcommittee chairmen on Capitol Hill, notes Joel Janowsky, who until 1976 was a senior

See LAWYERS, Page 2

## UN Deplores Panama Action

UNITED NATIONS, New York — The General Assembly adopted a resolution Friday deploring the U.S. military intervention in Panama as a flagrant violation of international law.

By 75 to 20 with 40 abstentions, the assembly endorsed a document similar to one vetoed by the United States, Britain and France in the Security Council on Dec. 23.

Although the resolution passed easily, the countries voting in favor represent less than half the membership of the 159-nation assembly.

## Klosk

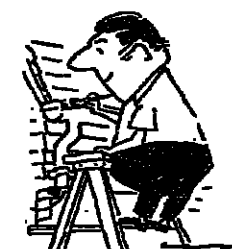
### Aoun Puts Off Assembly Vote

BEIRUT (NYT) — Major General Michel Aoun, the Christian Maronite army leader, said Friday that he would postpone the unilateral parliamentary elections he had scheduled to challenge the authority of President Elias Hrawi.

General Aoun also said that he was prepared to negotiate directly with Syria and Israel regarding the withdrawal of their forces from Lebanese territory. He said their presence was Lebanon's "major problem."

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Art



The Whitney Museum in New York is beset with conflicts over its director and a proposed addition. Page 7.

### Business/Finance

Alan Boad's Australian brewing interests were placed in receivership. Page 9.

Crossword Page 7.

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## Hong Kong Camp Raid Turns Up 700 Weapons

Compiled by Our Staff From Dispatches

HONG KONG — Riot policemen firing tear gas stormed a refugee camp on Friday, seizing hundreds of handmade weapons and arresting 27 refugees.

The police moved into the camp only hours after a group of 111 Vietnamese voluntarily returned to their homeland.

The police said they found 700 weapons during the operation.

It was the second consecutive day of disturbances in Hong Kong detention centers, where more than 56,000 Vietnamese are awaiting resettlement abroad or a forced return to Vietnam.

One Vietnamese was killed Thursday night in what officials said was a gang fight in a detention center.

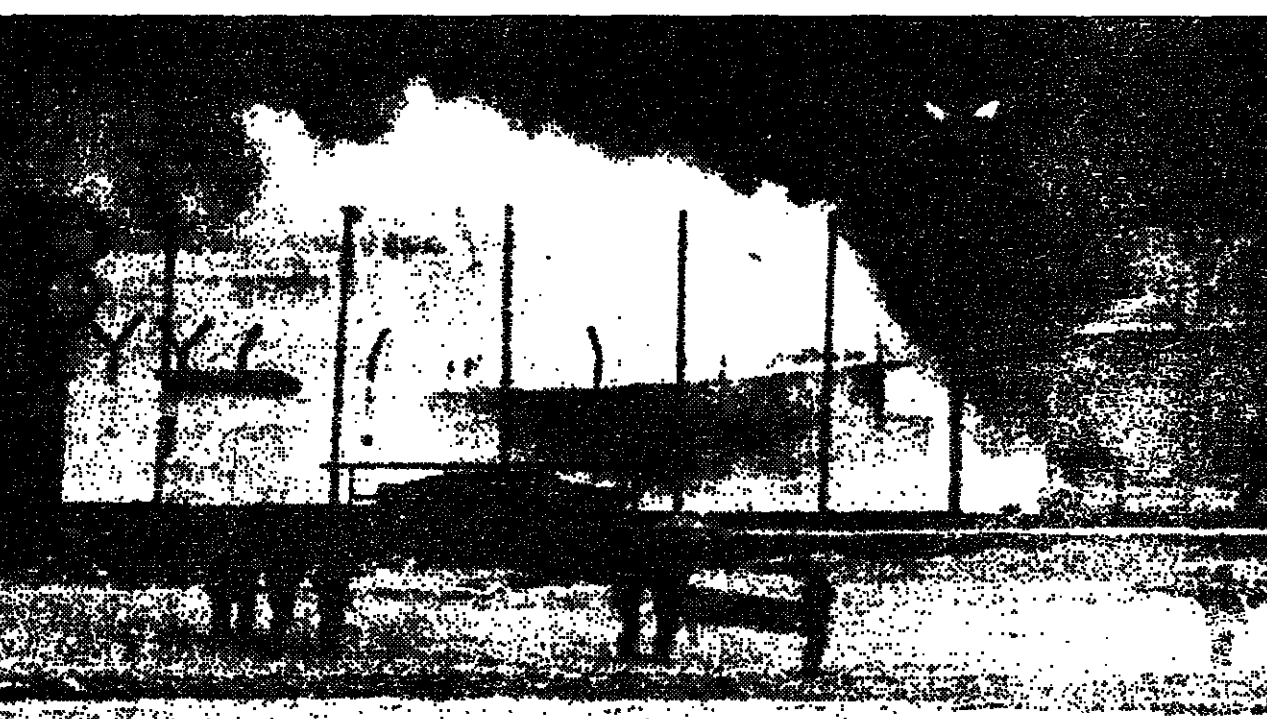
The clashes came in the face of a promised new round of forced repatriations to Vietnam by British and Hong Kong authorities, who say the voluntary program is too slow to make a substantial reduction in the population of the colony's crowded camps.

At least 26 officers and 14 Vietnamese were hurt Friday in the fighting in the Chi Ma Wan detention center, where the authorities said that Vietnamese had threatened security forces and threw stones at them during a routine search for hidden weapons.

More than 300 police and detention officers stormed one section of the camp, firing canisters of tear gas into crowds of Vietnamese. Secretary for Security Geoffrey Barnes said that officers moved in after five hours of negotiations with the Vietnamese had failed to convince them to give up their weapons and allow a search.

"The 'boat people,' in order to make the operation more difficult, pushed their women and children to the front," he said. "In the end, it was necessary for tear gas to be used to disperse the crowds and to

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Smoke pouring from Chi Ma Wan detention center as Hong Kong police moved in Friday to seize arms. Vietnamese set blankets afire.

## A Legal Career That's No Longer Unlawyerly: Lobbying in Washington

By Neil A. Lewis  
New York Times Service

WASHINGTON — Ten years ago, when the Washington law firm of Patton Boggs & Blow tried to recruit bright young lawyers, it played down the fact that a large part of its practice was lobbying.

Candidates found it both unseemly and unwise, said Thomas H. Boggs, the firm's most celebrated partner.

But these days it is the firm's main attraction. "Now what we do is in vogue," he said.

For the young and ambitious, lobbying by lawyers has become for Washington what investment banking is for New York.

The national capital is the center of lawyer-lobbying, a specialty as distinct as criminal law or environmental law.

It has attracted lawyers who are willing to involve themselves less with courtroom and the U.S. Constitution than with political fund raising and walking the halls of Congress.

For the dozen or so law firms in the first rank, it is also enormously lucrative.

Lawyer-lobbyists have been present in the capital since Thomas G. Corcoran, a member of President Franklin D. Roosevelt's "brain trust," went into private practice in the late 1940s.

But in the last few years there has been explosive growth in the field, a development that some view as yet another

diminishing illustration of the shriveling of idealism.

"I'm troubled by it if it's simply a way of accumulating money and power without any moral basis," said Guido Calabresi, dean of the Yale Law School.

While some may be unable to find any cause for moral cheer in the new popularity of lawyer-lobbying, Mr. Boggs tries. "These are the kids who in an earlier time came to Washington to work for Jack Kennedy," he said.

Asked if the comparison may be flawed because a young lawyer-lobbyist today is working for wealthy corporate interests, Mr. Boggs replied: "Well, they want to be involved in the system. And that's good."

There are nearly 13,000 registered lobbyists in Washington, all trying to

gain an edge for their clients from the federal government. Many prefer to call their specialty "legislative work."

They want a regulation changed, a law passed, amended or, more commonly, stopped. They thrive on contacts in the government and the voracious appetite in Congress for campaign contributions.

Perhaps the best known of all is Thomas Hale Boggs Jr., 49, a man bred to his trade.

He is a child of Congress. His father, Hale Boggs, was a congressman from Louisiana who was famous for stern-winding oratory and lavish garden parties with New Orleans jazz bands.

He rose to become the House majority leader in 1971. The next year a plane carrying him and a junior member of the House disappeared in Alaska.

Congress named a craggy peak in Alaska after Mr. Boggs. His widow, Linda, took over his House seat and still serves there.

"The first thing that makes Tommy a great lawyer-lobbyist is that he sure picked the right parents," said Representative Sam M. Gibbons, a Florida Democrat and a 26-year veteran of the House.

Mr. Boggs's first job was operating the private elevator in the House when Sam Rayburn was speaker. He was present when his father conferred with Mr. Rayburn and Lyndon B. Johnson, and he paid attention.

But his business has flourished by dealing with a Congress that has changed in ways that would have puzzled

and alarmed his father, one of the handful of giants, or "whales," who ran Congress, demanding and receiving loyalty from junior members.

In Hale Boggs's day, a lobbyist merely had to know and be able to influence the 15 or so lawmakers who ran things.

But the scrapping of seniority in House rules and the great increase in the cost of campaigns, among other things, has meant there are no whales anymore but many smaller fish — and even those of minnow proportions can have some influence.

There are 144 subcommittee chairmen on Capitol Hill, notes Joel Janowsky, who until 1976 was a senior



## Polish Communists Join Solidarity in Ending Party Role

By Steven Greenhouse  
New York Times Service

WARSAW — Sweeping away some major remnants of Communist rule, Poland's main legislative body voted Friday to change the nation's name from the People's Republic of Poland to the Republic of Poland and to end the leading role of the Communist Party.

Although some Communist deputies originally opposed the moves, the Communist Party agreed to back the changes in the face of overwhelming public pressure and some defections by reform-minded party members.

Deputies stood and sang the national anthem in a show of patriotic fervor after Communist and Solidarity members united to approve the changes by a vote of 374-1 with 11 abstentions.

The Sejm, the lower house of parliament, also sought to push the Communist era into history by voting to restore the crown to the national emblem, a white eagle on a red background.

When Soviet forces moved into Poland in 1944, they ordered that the crown be removed from atop the eagle even though the crown had been part of the emblem of this tradition-minded nation since the 15th century.

"The crown is very important to us," said Bronislaw Gilek, a Krakow-based deputy in the Solidarity caucus. "It is a symbol of our sovereignty and independence."

Deputies in the Solidarity political movement plugged for the changes, arguing that they were needed to help restore pride and

hope to Poland as it enters a new decade and embarks on a tough program of economic change.

In its year-end flurry of legislation, the Sejm also voted Friday to delete a constitutional provision specifying that Poland was to have a "socialist economic system." And it approved an amendment so that the constitution now states that Poland is a "democratic state of law" instead of a "socialist state."

"We are amending the constitution to bring it into line with reality," said Bronislaw Gilek, chairman of the Solidarity parliamentary caucus.

The legislative session was also unusual in that Cardinal Jozef Glemp became the first Roman Catholic primate of Poland to visit parliament in the postwar era.

As Cardinal Glemp entered the majestic chamber, the deputies sang Polish Christmas carols. The primate shared the traditional Christmas wafer with Solidarity and Communist legislators alike.

The legislation voted Friday must be approved by the Senate, but that is expected to be automatic because Solidarity won 99 percent of the Senate seats in elections in June. In contrast, the Communist Party holds 38 percent of the seats in the more powerful Sejm as a result of a spring legislative agreement. That gives the Communists enough votes to block constitutional amendments.

The Senate began debate Friday on the government's economic package, which aims to transform Poland's faltering economy from communism to capitalism.

## China Raises Incomes To Avert Urban Unrest

By Daniel Southerland  
Washington Post Service

BEIJING — Chinese authorities, fearing unrest following the dramatic change in Eastern Europe, have decided to increase urban incomes in an attempt to appease the work force, government sources said Friday.

The government is insisting that work units give year-end bonuses that are generous by Chinese standards and that unemployed workers receive increased benefits, the sources said.

The sources said that another New Year's present will be an increase in salary grade for all government employees and state-supported intellectuals. This will raise the incomes of state cadres, teachers, scientists, and other government workers by as much as 7 percent beginning Jan. 1.

The salary increases were originally scheduled later next year. The government had been promising such raises for several years.

The provincial authorities are urging lower-level officials to encourage mergers of failing enterprises with other units rather than shutting them down altogether, to avoid further unemployment.

"Many people are beginning to joke that Romania has brought them a lot of good," a government official said.

Many workers are still angry over the army's crackdown on last spring's student-led movement, and some have vowed to seek revenge against the government and party leadership.

Students and other intellectuals who would like to see a revival of the movement have been quietly celebrating the downfall of Com-

munist systems in Eastern Europe as well as the overthrow of the Romanian dictator, Nicolae Ceausescu.

Mr. Ceausescu was a close ally of China's leaders — "almost like a brother to them," a government official said — and his fall appears to have shaken the leadership.

The leaders, fearing a revival of the pro-democracy movement, last week placed security forces on alert and reinforced the plainclothes police forces stationed on university campuses here.

On Wednesday, the government dispatched its chief spokesman, Yuan Mu, to the campus of Beijing University to speak to a select group of students about Romania and other matters. But Mr. Yuan was interrupted on a number of occasions by students who insisted on asking sharp questions and who at one point hissed the government official.

Mr. Yuan is one of the government officials most disliked at Beijing universities because he acted as government spokesman last spring, led a "dialogue" with students at the time that was considered duplicitous, and vigorously defended the crackdown.

Students said that at Wednesday's meeting, Mr. Yuan argued that had the government failed to suppress the pro-democracy movement — he called it the "counter-revolutionary turmoil" — Romania-like chaos would have erupted in China.

"You used to say that only socialism can save China," one student reportedly said to Mr. Yuan. "Now, after Bulgaria and Romania, do you say that only China can save socialism?"



About 300 people gathering in Sofia to found the Bulgarian Green Party. At right is Alexander Karakachanov, one of the leaders.

## Bulgaria to Let Ethnic Turks Revert to Muslim Names

The Associated Press

SOFIA — The Bulgarian government will enable the country's ethnic Turkish minority to adopt the Muslim names that they were forced to change in an often-violent campaign since the early 1980s, an official announced Friday.

The chairman of the National Assembly, Stanko Todorov, emerged from parliament to tell a crowd of demonstrators that in the future "everybody in Bulgaria will be able to choose his name, religion and language freely."

There was consensus among observers that the decision was made by the ruling Communist Party's Central Committee, which convened earlier in the day to consider growing opposition demands for speeding up democratic change in the country.

The assimilation campaign and increasing curbs on ethnic and religious rights of the 1.5 million Bulgarian Turks prompted more than 300,000 to emigrate to Turkey earlier this year.

The forced name changes also affected tens of thousands of Pomaks, or Muslim Slavs, living in the south of the country.

## Officer Details Ceausescu's Last Days

Reuters

LONDON — Nicolae Ceausescu was held by the military in an armored car for three days before his execution to prevent loyalist forces from finding him, a Romanian Army officer said Friday.

Recounting Mr. Ceausescu's last days, Captain Mikhail Lupoi said in a British television interview that the deposed Romanian leader and his wife, Elena, fled Bucharest by helicopter Dec. 22, a day after demonstrators drowned out his speech in Palace Square.

He said they were taken to a chauffeur-driven car that they had arranged to have wait for them about 100 kilometers (60 miles) west of the capital.

But a policeman recognized Mr. Ceausescu at a checkpoint, Captain Lupoi said, and he and his wife were handed over to a military unit.

Soldiers put Mr. Ceausescu in an armored car that was kept on the move for 72 hours to prevent the Securitate, or secret police, from discovering his whereabouts, the officer said.

Captain Lupoi, identified by Independent Television News as the army's representative in the new Romanian government, said that this vehicle was the same one that delivered Mr. Ceausescu to a

secret military trial where he and his wife were convicted of genocide and other crimes. They were executed by firing squad on Monday.

The officer added that Mr. Ceausescu, a diabetic, had refused to take insulin during his detention although his wife, Elena, carried the drug in her handbag.

"I can tell you that he lay for three days in that armored car," Captain Lupoi said. "During these days he refused to take his daily dose of insulin."

He added that the secret police had sustained heavy casualties in an attack on a building in Bucharest where they mistakenly believed Mr. Ceausescu was being held.

A different version was given Friday by the Financial Times, which quoted Silviu Brucan of the Romanian National Salvation Committee as saying that the Ceausescus were captured by peasants when their "easily recognizable" helicopter was forced to land near Tirgoviste, 100 kilometers northwest of Bucharest.

This account said that the army took them to a nearby military base that later came under attack by Securitate gunmen, forcing decisions by the new leadership and the army to hold a trial and execute the couple.

## Vienna Thinks Brother Of Ceausescu Was a Spy

Reuters

VIENNA — Nicolae Ceausescu's eldest brother, Marin, found hanged in a Vienna cellar, may have played a major role in spying on Western Europe, the Austrian interior minister said Friday.

Interior Minister Franz Loschnak said Austrian officials suspected that Marin Ceausescu had worked for the Securitate, the Ro-

manian secret police, while acting as the Romanian trade representative in Austria since 1973.

"The Romanians' intelligence activities in the last decades have been extensive," Mr. Loschnak said in an interview with Austrian radio.

"Anyone who was a trade delegate in Western Europe had a significant role in the system as a whole."

News reports said the number of strikers at more than 20,000, with much of the unrest centered in the

## Yugoslavs Hold Strikes Over Austerity Program

Reuters

BELGRADE — Thousands of Yugoslav workers have held protest strikes over the past week in what Belgrade newspapers called a serious challenge to tough government austerity measures due to start Monday.

News reports put the number of strikers at more than 20,000, with much of the unrest centered in the

country's biggest republic, Serbia, which has fiercely opposed Prime Minister Ante Markovic's new economic plan.

Inflation is running at an annual rate of about 200 percent, and the foreign debt totals \$17 billion.

The Serbian premier, Stanko Radmilovic, said Thursday: "Serbia opposes the stagnation which the federal government is offering

and its delusion that hyperinflation can be stopped with administrative and restrictive measures."

While the regional parliaments in Slovenia, Croatia, Montenegro, Kosovo Province, Macedonia and Bosnia-Herzegovina have voted in favor of the government program, the assemblies of Serbia and Vojvodina Province rejected it.

At the heart of Mr. Markovic's plan is the introduction Monday of a new dinar, called the "heavy dinar" and worth 10,000 old dinars. It will be fixed at a rate of seven to the Deutsche mark until June 30.

Wages have also been fixed for this period, and no increases are allowed officially before Jan. 1.

The dinar was quoted at 70,000 to the mark on Dec. 19 and Yugo-

slav bankers have said the rate would not be changed in the final days of the year.

The 1990 budget, passed by the legislature Thursday night, had already been calculated in convertible dinars and totaled 75.3 billion dinars (\$6.4 billion).

Recent press reports said workers from several major enterprises, including the Crvena Zastava automobile and weapons factory in the Serbian city of Kragujevac, demonstrated for wage increases and stormed administration buildings.

Thousands of workers have marched through Belgrade to the federal parliament, carrying banners and flags and shouting, "We want our wages," and demanding that Mr. Markovic address them.

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## WORLD BRIEFS

### Israel Cites Signs of Missile Deals

TEL AVIV (AP) — Syria is believed to be seeking North Korean help in acquiring new surface-to-surface missiles after U.S. pressure was brought to bear on China to cancel a reported deal, Israeli military sources said Friday.

The sources also said that North Korea and Egypt had begun a project to develop missiles patterned after Soviet-designed SCUD missiles.

The disclosures were made at a time of mounting concern in Israel about an intensified missile race in the Middle East. The sources said that North Korea had supplied Iran with Soviet-designed SCUD surface-to-surface missiles during the Gulf War with Iraq. They said that part of the Egyptian-North Korean missile project was being developed in Egypt.

### Jewish Leaders in U.S. Criticize Tutu

NEW YORK (Reuters) — Jewish leaders have criticized Archbishop Desmond M. Tutu of South Africa for his suggestion that Jews forgive and pray for the Nazi perpetrators of the Holocaust.

While on a four-day visit to Israel, Archbishop Tutu on Tuesday urged Israelis to forgive the Nazis for killing 6 million Jews during World War II, and he condemned Israel for oppressing Palestinians. Archbishop Tutu also said that he would continue to criticize Israel's occupation of the West Bank and Gaza Strip.

The executive director of the American Jewish Congress, Henry Siegman, said Thursday that Archbishop Tutu's "unsolicited advice to victims of the Holocaust and to their descendants about the benefits of prayer and forgiveness shows an insensitivity that is particularly surprising in a religious person of his stature."

### Aquino Rejects Opposition Charge

MANILA (Reuters) — President Corason C. Aquino dismissed accusations Friday that her government was trying to silence an opposition senator, Juan Ponce Enrile, by filing rebellion charges against him.

"Senator Juan Ponce Enrile will be accorded all his constitutional rights," Mrs. Aquino said. "Far from being silenced, he continues to be free to speak out against the administration."

The government filed rebellion charges against Mr. Enrile and five others on Thursday, alleging their involvement in the failed coup attempt during the first week of December. Mr. Enrile has asserted that the rebellion case was brought to gag criticism in Congress against the government and to intimidate opposition politicians.

### Burma Bars Ex-Leader's Candidacy

RANGOON (AP) — Burmese military rulers have barred the country's last democratically elected prime minister, U Nu, from running in the May general election, the government spokesman said Friday.

Officials also announced that a popular opposition figure, Daw Aung San Suu Kyi, would be allowed to run provided she obeyed election laws. She has been under house arrest since July 20, accused of trying to divide the people from the army.

U Kyaw Sam, a spokesman for the ruling military junta, said U Nu, 82, was disqualified for his refusal to dissolve a parallel government he declared at the height of last year's national uprising for democracy. The spokesman also said that U Nu would have to face legal action but would not be imprisoned.

### Jordan Disperses Anti-Israel Protest

AMMAN (Reuters) — Jordanian riot policemen used tear gas to disperse about 400 demonstrators marching to the U.S. Embassy to protest American support for Israel, witnesses said Friday.

The police stopped the march in Amman on Thursday night. The Interior Ministry said the police had intervened after demonstrators stoned police and civilian vehicles. The ministry said there were no casualties or damage apart from broken windows.

The protesters, mostly youths, shouted slogans against President Hani Mubarak of Egypt, King Fahd of Saudi Arabia, Prime Minister Yitzhak Shamir of Israel and U.S. Secretary of State James A. Baker 3d. Mr. Mubarak and Mr. Baker are trying to arrange Israeli-Palestinian talks in Cairo to discuss Palestinian elections in the Israeli-held West Bank and Gaza Strip.

### Anonymous Letter in Bombing Case

WASHINGTON (WP) — An anonymous letter writer, expressing anger at the court system, has taken responsibility for mailing four pipe bombs, two of which exploded and killed a federal judge and a lawyer recently.

The assertion was made in a letter that was read in part on an Atlanta television station Thursday evening and was signed "Americans for a Competent Federal Judiciary." In it, the group threatened to kill two unnamed, prominent members of the National Association for the Advancement of Colored People "using a more sophisticated means."

William Hinzman, special agent in charge of the FBI office in Atlanta, said his investigators had never heard of the group. Despite speculation among civil rights groups that a new, racially motivated terrorist network may have sprung up, investigators said they believed that the bombs were more likely the work of a deranged individual.

### India Repeals Special Law on Punjab

NEW DELHI (NYT) — The lower house of the Indian parliament voted Friday to repeal a widely criticized constitutional amendment that allowed civil rights, including the right to life, to be suspended in the state of Punjab.

The repeal of the controversial 59th amendment, passed in 1987 by the government of the former prime minister, Rajiv Gandhi, has been a central demand of Punjab Sikhs and Indian human rights groups. Prime Minister Vishwanath Pratap Singh pledged in his first days in office to withdraw the law, drafted to allow security forces wider latitude in dealing with Sikh militants.

Under the law, human rights advocates said, thousands of people have died in encounters with the police or have been imprisoned and tortured without trial.

## TRAVEL UPDATE

A 24-hour strike by Portuguese air controllers beginning at midnight Friday will ground most flights to and from Portugal, Lisbon airport officials said. The controllers are seeking higher salaries. (AP)

French police investigating laundering of "dirty money" by the Italian Mafia have closed a casino in Beaulieu on the Riviera, police sources said Friday. The casino was closed once before, in March, because gaming officials were dissatisfied with its finances. It was given a six-month operating license in July under a new management team. (Reuters)

A Northwest Airlines DC-10 flying from Detroit to Frankfurt was diverted to Boston on Thursday after the pilot reported problems with the hydraulic system. It landed without incident, a spokesman said. (UPI)

A record 2.7 million people visited Ireland this year, according to Tourist Board figures released Friday. (Reuters)

## WEATHER

EUROPE				ASIA			
	HIGH	LOW	PRECIP.		HIGH	LOW	PRECIP.
Amsterdam	45	37	0	Bangkok	86	74	0
Antwerp	45	37	0	Beijing	41	28	0
Berlin	45	37	0	Hong Kong	76	64	0
Brussels	45	37	0	Kobe	61	49	0
Copenhagen	45	37	0	Manila	86	74	0
Dublin	45	37	0	New Delhi	86	74	0
Frankfurt	45	37	0	Osaka	61	49	0
Geneva	45	37	0	Seoul	61	49	0
London	45	37	0	Singapore	86	74	0
Madrid	45	37	0	Taipei	61	49	0
Munich	45	37	0	Tokyo	61	49	0
Nuremberg	45	37	0				
Paris	45	37	0	AFRICA			
Rome	45	37	0				
Stockholm	45	37	0	Algiers	76	64	0
Vienna	45	37	0	Cairo	76	64	0
Zurich	45	37	0	Conakry	76	64	0
				Dakar	76	64	0
				Harare	76	64	0
				Lima	76	64	0
				Managua	76	64	0
				Nairobi	76	64	0
				San Jose	76	64	0
				Tegucigalpa	76	64	0
				Washington	76	64	0
				LATIN AMERICA			
				Asuncion	76	64	0
				Buenos Aires	76	64	0
				Caracas	76	64	0
				Colon	76	64	0
				Guatemala	76	64	0
				La Paz	76	64	0
				Lima	76	64	0
				Mexico City	76	64	0
				Rio de Janeiro	76	64	0
				Sao Paulo	76	64	0
				Santiago	76	64	0
				Teheran	76	64	0
				Valparaiso	76	64	0
				NORTH AMERICA			
				Albuquerque	76	64	0
				Anchorage	76	64	0
				Boston	76	64	0
				Chicago	76	64	0
				Denver	76	64	0
				Detroit	76	64	0
				Houston	76	64	0
				Los Angeles	76	64	0
				Madison	76	64	0
				Minneapolis	76	64	0
				Montreal	76	64	0
				New York	76	64	0
				Philadelphia	76	64	0
				San Francisco	76	64	0
				Seattle	76	64	0
				Toronto	76	64	0
				Washington	76	64	0

SATURDAY'S FORECAST — CHAMPAIGN: Slightly cloudy; FRANKFURT: Partly cloudy; NEW YORK: Partly cloudy; LOS ANGELES: Partly cloudy; PARIS: Partly cloudy; ROME: Partly cloudy; STOCKHOLM: Partly cloudy; VIENNA: Partly cloudy; ZURICH: Partly cloudy.

## RELIGIOUS SERVICES

- DUSSELDORF**  
INTERNATIONAL BAPTIST CHURCH, English



## Amid Turmoil Abroad, U.S. Officials Take a Holiday Break

By John Lancaster  
Washington Post Service

WASHINGTON — With U.S. troops patrolling the streets of Panama City, General Manuel Antonio Noriega holed up in the Vatican mission and a still-unfolding revolution in Romania, the corridors of power in the nation's capital should be buzzing with activity, right? Wrong.

Like Paris in August — or, for that matter, Washington in August — official Washington has largely skipped town for the holidays, leaving behind empty offices and unanswered telephones that seem to defy the dizzying pace of world events.

President George Bush and Secretary of State James A. Baker 3d left just days after the U.S. intervention in Panama for a fishing and hunting vacation in Texas, but they are hardly the only senior government officials to take a breather.

Secretary of Defense Dick Cheney has left Panama for his home state of Wyoming. The White House chief of staff, John H. Sununu, is in New Hampshire, and the national drug policy director,

William J. Bennett, is said to be vacationing at an undisclosed location.

"I think Reagan really set that tone," said Joseph A. Califano Jr., a former domestic policy aide to President Lyndon B. Johnson and the secretary of Health, Education and Welfare during the Carter administration. "I think the whole country has changed. It takes a lot more time off at Christmas."

"I think it's become more European in that sense," he added. Washington is always quieter during the holidays, of course. Congress is out of session until mid-January, and presidents have long seized the opportunity to retreat to friendlier territory, such as Mr. Johnson's Texas ranch or Jimmy Carter's home in Plains, Georgia.

Moreover, the empty chair in the Oval Office does not mean no one is in charge. The chief White House spokesman, Martin Fitzwater, who is traveling with Mr. Bush in Texas, emphasized that the president receives intelligence briefings each morning before he goes quail hunting, and that modern technology allows instant communication with points around the globe.

Nevertheless, the timing of Mr. Bush and Mr. Baker's vacation has struck some critics as inappropriate given the continuing tension in Panama and Eastern Europe.

James David Barber, a political scientist and presidential scholar at Duke University, said that any president who takes a week off "probably ought to have gone in for another job."

"The point," Mr. Barber said, "is that the historical moment we're at is one of enormous challenge, and that it needs work, to put it mildly."

Mr. Barber suggested there might be an element of political calculation in Mr. Bush's vacation-as-usual approach.

"People are looking for placidity. It may be that what he's doing is trying to send a signal to the American people," he said, adding, "The message that picture with the fish and Baker gets across is that things are okay."

In a town notorious for workaholics, Ronald Reagan set a new standard for rest and relaxation, spending 458 days of his two-term presidency in his home state of California. He passed much of that

time at his ranch in Santa Barbara, California, chopping wood and clearing brush.

"I have this sense that Washington is not as intense as it used to be," said Warren C. Calkins, a Brookings Institution senior staff member and a former White House official in the Kennedy and Johnson administrations. "I think we're just more laid back."

Mr. Califano recalled that President Johnson's holiday trips to his beloved Texas ranch could hardly be called vacations in any conventional sense. "There was no break with him," he said. "The whole staff worked full blast."

And Mr. Carter, confronted with the Iranian hostage crisis in November 1979, skipped his usual trip to Plains for Christmas and spent a bleak holiday with his wife and daughter at Camp David.

"Staying close to Washington quickly became standard policy," Mr. Carter wrote in his autobiography. "To renounce it was to indicate reduced interest in the hostesses or a loss of hope that they would survive." Arriving Wednesday in Corpus Chris-

ti, Texas, Mr. Bush was asked if he was sending the proper signal by going on vacation while the fighting continued in Panama. "No, I'm not concerned about that at all," Mr. Bush said. "Why should I be? Things have gone well. It's winding down."

He added, "Now, if the matter were still going on and there was a lot of fighting and Noriega was not in custody, it would have been different."

The National security adviser, Brent Scowcroft, and the chairman of the Joint Chiefs of Staff, Lieutenant General Colin L. Powell, have remained in Washington, spokesmen said. In addition, most high-ranking Pentagon officials remained on the job through the Christmas holidays as the events in Panama unfolded and are now taking belated vacations that will extend over the New Year's holiday.

Still, this trip is one of few that Mr. Bush has taken without a senior national security adviser present. Asked how much consideration was given to canceling the trip in light of the Panamanian situation, Mr. Fitzwater smiled broadly and said, "None."

## Analysts Cite Airdrop as One of Few Flaws in Panama Action

By Molly Moore  
and Rick Atkinson  
Washington Post Service

WASHINGTON — The U.S. intervention in Panama began inauspiciously early on the morning of Dec. 20, when a dozen planeloads of paratroopers missed the landing zone in one of the few tactical glitches of an otherwise successful military operation, military and civilian sources said.

The immediate after-action analysis of the operation suggests that Operation Just Cause suffered from three shortcomings, none serious enough to undermine the invasion's success:

• The failure to capture General Manuel Antonio Noriega.

• A miscalculation of the tempo of the Panamanian defenders and the potential for looting by Noriega loyalists and ordinary citizens.

• A mishap-plagued parachute assault by the 82d Airborne Division.

The overall success, in military terms, in choreographing the attack by 22,500 U.S. troops is already being contrasted to the more-muddled 1983 invasion of Grenada, which led to a major reorganization of the U.S. military command structure. The Panama attack was the first test of the new organization, which gives controlling authority to the Joint Chiefs of Staff instead of the separate services.

"It looked to me like this was as good as we get with so many units involved, unless you practice this specific operation a lot more," said an army officer. "At the battalion level and below, there probably wasn't much difference between this and Grenada. But at higher levels, there were a whole lot less wars on this than in Grenada."

Part of the reason, according to military officials, was the extensive planning that preceded the Panama intervention, compared to the hastily drafted plans for Grenada.

"There were minor things, like the airdrop in the wrong place," one U.S. official said. "But there were not the massive stupidities we had in Grenada."

As reported earlier, the U.S. military had quietly started training and preparing for a possible assault

weeks before President George Bush, on Dec. 17, issued the order for the action.

Although numerous participants dismissed suggestions that the actual decision might have been taken before the 17th, all agreed that they benefited from heightened readiness prompted by the new U.S. commander in Panama, General Maxwell R. Thurman, and the new chairman of the Joint Chiefs of Staff, General Colin L. Powell, both of whom favored a more aggressive approach to possible action against General Noriega than their predecessors.

As part of the new training, army paratroopers simulated assaults on Panama, using both the North Carolina fields of Fort Bragg and a U.S. Jungle Operations Center in Panama. Tanks, armored personnel carriers and helicopters were shipped to the isthmus weeks before the attack. And a few army civil-affairs teams capable of helping the U.S. military or the local government in case of trouble had been stationed in Panama in response to heightened tensions.

A year-old military plan inherited by General Thurman and Powell called for a much-slower-paced assault against Panamanian targets over a period of days or weeks. General Thurman recently drafted a plan that compressed the invasion into a few hours.

"The old plan wasn't serious," said a U.S. official. "This plan was serious. It was a massive operation — getting all the Military Airlift Command resources in from all over the world."

One unforeseen complication was the bitter cold snap that swept the nation before Christmas. Ice delayed takeoffs from Fort Polk, Louisiana, and Pope Air Force Base, North Carolina. At Pope, 20 C-141 transport jets carrying two battalions of the 82d Airborne were supposed to leave together on Dec. 19. A third battalion was already in Panama, going through a jungle training course.

Despite bringing in seven de-icers, the air force was unable to keep to the schedule and the armada left in sections. The first paratroopers jumped on Torrijos International Airport close to H-hour at

1 A.M., but the final "stick" did not jump until after 5 A.M.

This complicated the jump plan. More than half the paratroopers missed the drop zone. Some landed on the runway at Tocumen military airfield, which army Rangers had seized earlier. Of 2,000 paratroopers, about three dozen were injured in the jump, most with sprained ankles or wrenched knees. The injury rate of slightly less than 2 percent compares with about 1 percent in peacetime jumps in the sandy hills of North Carolina. Army sources said the paratroopers quickly assembled despite the mishaps and fought well.

The U.S. assault on a series of Panamanian strongholds was designed to disorient and frighten General Noriega's troops into surrendering or fleeing, rather than to surround the forces and provoke them into firing back and thus causing more casualties, according to several military officials.

Instead, many of the troops stood their ground and waged fire-fights with the Americans, and many of those who did flee "took their weapons and went into town and started looting and sniping," said the official.

"The one hole you could criticize was that, with the frontal attack, we paused and let them disperse," the official said.

One army officer said that several U.S. paratroopers were wounded when a group of Panamanian troops feigned surrendering with their hands raised, and then threw a grenade. Four of the Panamanians were killed by return fire.

## U.S. Troops Arrest Noriega Associate

Former Israeli Intelligence Official Was Key Adviser to Panama Military

By David E. Pitt  
New York Times Service

PANAMA CITY — An Israeli widely regarded as the closest associate of General Manuel Antonio Noriega has been seized by U.S. troops in Panama, a senior U.S. Embassy official said.

The prisoner, Mike Harari, 62, who once was a key Israeli intelligence official, played a major advisory role in developing Panama's armed forces.

He is known to have recruited and trained the general's personal security detail, which at one time included some former Israeli soldiers as well as Cuban military advisers.

In another development, Lieutenant Colonel Jerry Murguia, a U.S. Army spokesman, said Friday that Angel Mina, General Noriega's chief economic adviser, had been detained within the past 24 hours. The Associated Press reported. He was stopped while trying to leave the country, Colonel Murguia said.

[And for the first time since the U.S. military assault on Dec. 20, no overnight shooting was reported.] Mr. Harari, who retired in 1979 as head of the Israeli intelligence service in Central America and Mexico, has also been identified as a longtime business associate of General Noriega.

Beginning in the early 1980s, he served as Panama's commercial attaché and honorary consul in Tel Aviv.

Israeli officials have denied any official connection with Mr. Harari, describing him as a private citizen, but some Panamanian officials say he was long an unofficial go-between for General Noriega in Israel.

"We have him," the U.S. Embassy official said when asked whether he knew of Mr. Harari's whereabouts. "He's a prisoner of war."

The official, who asked not to be identified, said Mr. Harari was arrested Wednesday and was being held in a U.S. military installation.

U.S. Embassy officials say U.S. troops have arrested more than 4,000 people, mostly Panamanians, since the attack.

They are being held at the request of the new Panamanian government on charges ranging from armed resistance to U.S. forces to drug-related indictments in the United States.

Panamanian officials said earlier that another Israeli citizen close to General Noriega, identified as Eliezer Ben Gaitan, left the Papal Nunciature here, where he had tak-

en refuge with the general and about 30 other loyalists, and surrendered to U.S. troops.

Mr. Ben Gaitan was said to be a civilian supervisor of the Noriega security detail.

In Jerusalem, Israeli Foreign Ministry officials said they had not received any formal notification of the arrest or detention of any Israeli citizen in Panama.

The senior U.S. Embassy official said Thursday that while "we are not a posse," until the new government had a fully functioning police force and criminal justice system, U.S. troops were rounding up virtually anyone the Panamanian government requested.

In the 1970s, Mr. Harari, a specialist in anti-terrorist tactics, helped lead an Israeli commando operation assigned to hunt down the Black September terrorists who killed a group of Israeli athletes at the 1972 Munich Olympics.

Mr. Harari was among those blamed after the commandos killed a Moroccan waiter in Norway whom they mistakenly identified as a Black September commander.

The report of Mr. Harari's arrest came as U.S. troops detained Cuba's ambassador to Panama, Lázaro Maro Sotoca, after they halted his car and found a passenger without proper diplomatic credentials. Both were later released.

U.S. officials, who have thrown cordon around the Cuban and Nicaraguan embassies, say they reserve the right to inspect cars coming and going from the buildings.

## India Introduces Bill to Free Media

Reuters

NEW DELHI — India's new government, trying to make good on election promises, introduced legislation Friday to give autonomy to state-run radio and television and to set up an independent anti-corruption agency.

"The media too often has been manipulated," the information and broadcasting minister, Parvathaneni Upendra, said when introducing a bill to turn television into an autonomous public corporation.

The government also introduced legislation to set up a panel of three serving or retired Supreme Court judges who would investigate complaints of corruption against the government, including the prime minister and cabinet.



The mother of Alejandro I. Manriquezlozano being comforted at the graveside of her son.

## Peruvian GI Buried at Arlington

By Leslie Maitland  
New York Times Service

WASHINGTON — A Peruvian immigrant who joined the U.S. Army last year in the hope of furthering his education has become the first of the soldiers killed in Panama to be buried with full military honors at Arlington National Cemetery.

Alejandro I. Manriquezlozano, one of the 23 U.S. servicemen killed last week, was laid to rest in a field of identical white marble tombstones that rose like stiff frozen flowers from the snow.

Army officers at the gravesite and at the Pentagon said they knew almost nothing about the 30-year-old soldier.

But family members from Lima and New York said that Specialist Manriquezlozano had loved America and that he had not died in vain because he had been defending the nation's ideals.

Even so, there was a clash of cultures after the last soft notes of a bagpipe drifted off into the cold winter air.

As army officers tried to preserve the strict precision of the ceremony, relatives from Peru spilled out their indignation over how they were

treated by the Pentagon when they tried to learn how he died.

They also told of their struggle to raise money and obtain the necessary visas to get to Washington in time to attend his funeral.

His parents, two sisters, brother and two uncles were ultimately able to travel to the capital, family members said, through the aid of Representative Gary L. Ackerman, a Democrat of New York, who heard of their plight from neighbors in his district.

Mr. Ackerman learned that the Manriquezlozano family had been denied visas by the U.S. Embassy in Peru and that they lacked the money for airline tickets or hotel rooms.

The congressman said he had arranged for visas and persuaded an airline to cover the round-trip fares.

He said he personally shared the cost of two rooms with a hotel chain.

An anti-tank weapons specialist with the 82d Airborne Division stationed at Fort Bragg, North Carolina, Specialist Manriquezlozano parachuted onto the airfield at Torrijos International Airport on Dec. 20 and was immediately killed by machine-gun fire, family members said, relaying what they were told by the army.

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## Lawsuit Proves Costly For Los Angeles Mayor

New York Times Service

LOS ANGELES — Mayor Tom Bradley agreed Thursday to pay \$20,000 of his own money to settle a suit in which the city government charged him with failing to report certain holdings on financial disclosure statements.

Judge Robert I. Weil of Los Angeles Superior Court, who announced the agreement, said it was the first time a California official-holder had settled such a suit out of his own pocket.

The death of Mr. Dragseth, a

civilian employee of the U.S. Defense Department, brought to three the number of American civilians killed during the U.S. action. The other two were Gertrude Helin, a schoolteacher, and Mr. Paul, the son of a teacher at a school for U.S. Defense Department dependents.

Neither the U.S. Embassy nor U.S. Southern Command spokesmen in Panama could confirm the reports by CNN and CBS radio that Mr. Dragseth and Mr. Paul had died in "execution-style" killings.

"I'm aware of one body found late last night," a U.S. Southern Command spokesman, Colonel James Swank, said. He could not confirm that the body was that of an American.

The Southern Command had reported earlier that Mr. Paul was shot while returning from a party on the night the U.S. action was launched. He died two days later.

An aide to Representative John P. Murtha, Democrat of Pennsylvania, who is in Panama, said that U.S. military officers had revealed that one person had been found shot in the back of the head.

Miss Dragseth said members of her family were watching the U.S. attack on Colonel Manuel Antonio Noriega's military headquarters from the balcony of their apartment when they noticed some blonde-haired men on the street below, whom they mistook for U.S. soldiers.

The men knocked on their door and identified themselves as members of the Panama Defense

Forces. When the Dragseths did not answer, they broke down the door and entered, she said.

"They broke into my mom's bedroom and they took him," she said of her father. "They had machine guns and pistols and they said they were going to kill him right here. We tried to resist but they took him away from us and we never heard from him again."

"The information we have is the men came with a list of where Americans lived and what floor they lived on. We were just unfortunate enough to be the ones they decided to pick on."



# Herald Tribune

Published With The New York Times and The Washington Post

## Flexibility in Yugoslavia

Will Yugoslavia be the next East European state to erupt, or can free elections help contain its explosive nationalist rivalries? Communists in Croatia and Slovenia, the most Westward-looking of Yugoslavia's six republics, want to hold multiparty elections. In Serbia, the largest of the six, the League of Communists objects. The federation's Communist Central Committee has now wisely backed the Croats and Slovenians.

In moving to end the Communist political monopoly, the Central Committee recognized a central truth: that the best way to maintain unity in a multinational state like Yugoslavia is to allow more autonomy. If the urge for greater autonomy is thwarted, resentful nationalists could press more radical demands, such as secession.

The fragile unity of Yugoslavia is being tested by two crises at once. Belgrade is trying to find a remedy for economic distress whose symptoms include prolonged recession and 40 percent monthly inflation. And its component nationalities are struggling for greater self-determination.

Prime Minister Ante Markovic, a Croat, wants to loosen the bureaucratic hold on the economy by decentralizing private enterprise and encouraging private enterprise

and foreign investment. These reforms could aggravate regional tensions because Slovenia and Croatia are better situated than other republics to benefit from freer markets.

The president of Serbia, Slobodan Milosevic, argues that ministries in Belgrade need to retain economic control. A reflexive authoritarian, Mr. Milosevic also has sided with doctrinaire Communists to resist division of the party's leading role. He tried to pressure federal authorities into forcing Slovenia and Croatia back into line. His assertiveness has aroused fears of Serbian domination over other republics.

The differences over economic and political arrangements could fracture Yugoslavia along ethnic lines. Nationalisms might then leap across the borders to kinship in neighboring states, sparking the same kind of instability that once plunged the Balkans and the rest of Europe into war. How to keep tensions from spilling forth is a matter that Washington needs to begin thinking about and to discuss with its allies and Moscow.

What sort of political and economic arrangements Yugoslavs prefer is their business. But by allowing greater autonomy, they could ease their own and outsiders' concerns.

— THE NEW YORK TIMES.

## Let the Vatican Decide

There seem to be two considerations behind President George Bush's insistence that the Vatican yield up General Manuel Antonio Noriega so that he can be brought to the United States for criminal prosecution.

The first of these is simply that Mr. Bush decided that this is what he wants to do. Two months ago he was prepared to drop the drug trafficking indictments if the general would go quietly from power, but with the Panamanian's refusal and the subsequent intervention and U.S. casualties, the president has taken that option off the table. One can say that this change of mind is understandable, but it is in itself insufficient to justify an act that puts Washington in the unhappy position of challenging the Vatican and mauling a dependent Panama and that looks suspiciously like kidnapping.

There is a second strand in official thinking. It centers on a professed determination to help Panama pick itself up from the double battering of the dictatorship and the liberation. In this reading, Panama, now that it has had a good look at General Noriega's weapons stashes, malevolent "dignity" battalions and immense drug resources, realizes it cannot expect to come close to mustering the judicial, police and intelligence means either to try him and his

henchmen or to cope with plots that this still-fearful figure might yet stir in the future. The need of the democratically elected president, Guillermo Endara, to move out from under the U.S. wing can be more easily met, it is suggested, if he takes up the tasks of reconciliation and rebuilding unburdened by responsibility for the deposed dictator.

This reading of the Panamanian scene fits the facts of Mr. Endara's appeal to the Vatican to find a way to turn General Noriega over to the Americans—an appeal that appears to enjoy broad support among the Panamanian public. If this is so, however, it merely asks for trouble and misunderstanding for the U.S. military to be besieging the Vatican's embassy in Panama City in a manner that looks crude and threatening, and to be making a propagandistic display of the general's premises and personal things.

This is not a good way or the right way to impress the Vatican, which is juggling the hot potato dropped into its hands by what appears to have been a quick local decision to give the dictator temporary refuge. Washington ought to be respecting the Vatican's dilemma, refraining from tactics that smack of pressure and intimidation and showing itself prepared to live with the results.

— THE WASHINGTON POST.

## Other Comment

### Americans Predict the '90s

The New York Times Week in Review asked a number of people to hazard predictions about life in the 1990s.

The novel field that will emerge in the '90s will be organ replacement with biologically synthesized organs. Bone marrow transplantation will also become common, and that will eliminate blood cancer and blood diseases. As a teenager you could put down a marrow sample and know that 40 years later you would be protected against a whole variety of cancers.

I suspect that we will have a broad-based knowledge of genetic causes, which will enable us to identify diseases early—both the obvious genetic disorders like cystic fibrosis and muscular dystrophy, and common diseases such as heart disease, predisposition to cancer and probably mental illnesses.

During the decade we will probably come to know about half of all the human genes, compared with maybe 1 percent now. Suddenly we'll have a different grasp of how the human body develops from an egg, and a different grasp of human evolution.

— Walter Gilbert, molecular biologist.

The next 10 years will bring us just to the beginning of general purpose robots—the PC with arms and legs and eyes.

I think developments will be pretty small in 10 years, but it will be the beginning of an industry that will eventually absorb everything else. In 40 years the robot will in some ways be equal to a human in its ability to move around and see; in other ways it will be tremendously superhuman.

Somewhere in between there will be a machine that will probably be able to earn its living. It will be physically inadequate and clumsy but logically it will be a match for most people and probably more diligent.

As machines eventually acquire all the capabilities of humans and lots more besides, humans will become superfluous. Do we gracefully bow out to what amounts to our children, or do we join them? We will be able to make ourselves smarter using the same techniques that make machines smarter.

— Hans Moravec, computer scientist.

The '90s will be the make it or break it decade in terms of conservation worldwide and especially in the tropics, where the bulk of the world's biological diversity is found.

We're facing a wide variety of problems from ozone layer depletion and global warming to soil and water and air pollution and toxic waste disposal and acid rain. But to me the single most important conservation issue is the loss of the planet's biological diversity, because that's the biological capital, the resource base on which we de-

pend for our own survival. We can develop technologies to combat most forms of pollution, but once we lose a species of plant or animal it's gone forever.

— Russell A. Mittermeier, conservationist.

I think the record since 1970 has proved the adage to expect the unexpected when it comes to energy. Are we going to see a real rebound in energy demands in industrial countries and even more so in developing countries? Then the question becomes how to meet that demand. In the '90s the environment will provide the incentive for conservation rather than security or price. And the environment will provide the motivation for looking again at the portfolio of alternatives, an effort that fell by the wayside in the 1980s. But I don't see anybody rushing to sign up to build a new nuclear power plant.

— Daniel Yergin, energy consultant.

The long and tortuous contest between capitalism and communism is coming to an end. We'll all declare capitalism victorious and then discover a curious thing, that there are two quite different forms of capitalism.

One might be called a cosmopolitan capitalism, in which national boundaries are irrelevant; the free market reigns supreme. The other might be called national capitalism, in which governments join with the private sector to advance national interests.

Japan, South Korea, East Asia will be the centers of national capitalism. Instead of technology embedded in weapons systems, the new contest will be over goods and services. The most fortunate and skilled among us will find themselves with ever larger markets willing to pay them ever larger sums. The least fortunate and skilled will find themselves competing with workers all over the globe willing to work for a fraction of the wages.

— Robert Reich, economist.

There will be cooperation and mutual understanding between Poland, Czechoslovakia and Hungary. Ecological problems in that area are awful. Those countries fight for their survival in an ecological sense. I see good chances of democracy in those countries, but economic problems are tremendous. There is a great readiness of the populations to go along with hardships, provided the governments are considered their own.

— Czeslaw Milosz, writer.

Unity of Germany will be achieved in the next decade, in one way or another; it is almost inevitable. In Eastern Europe, communism is very much finished. Democracy may turn out to be a very fragile development. The possibility of right-wing dictatorship or authoritarian regimes is not excluded.

— Adam B. Ulam, historian.

## OPINION



## Next a Year of Challenge for Democracy

By David S. Broder

AMSTERDAM — If 1989 was the year of triumph for freedom, then 1990 will surely be the year of challenge for democracy.

Three weeks ago, when I began a reporting trip through Europe, I heard the sound that will forever signify 1989 to millions: the ring of hammers on chisels wedged into the hated Berlin Wall, playing a syncopated hymn to freedom. A month had passed since the Wall was first breached. And yet, on this gray Sunday, hundreds of people from around the world continued to arrive, each eager to gouge his own chunk out of that reviled symbol of division and repression.

As I took my turn chipping away, I felt an exultation I had not expected. And later, in a Warsaw church at a midnight Mass on Christmas Eve, I had the same feeling as I listened to the prayers for peace and freedom in that devastated but hopeful land — and for the lives and souls of the people of Romania who also had risen in struggle against their masters.

When the French invited world leaders and a huge international press corps to Paris last July, no one imagined that the fireworks marking the 200th anniversary of the French Revolution would usher in a new burst of freedom.

Since that night in the French capital, Poland has formed its first non-Communist government. Hungary and East Germany have scheduled free elections; Czechoslovakia, Bulgaria and Romania have ousted their Stalinist regimes — all with the benign approval and, in some instances, the implicit support of the reform-minded leaders of the Soviet Union.

If ever there was a time for celebration, it is this year, which ended with two of the world's most abominable dictators, Nicolas Ceausescu

and Manuel Noriega, fleeing for their lives, and only General Noriega surviving for now. (Incidentally, the role of the United States in booting General Noriega from power was as loudly applauded by people in both halves of Europe as the Bush administration's appeasement of Beijing's oppressors of freedom had earlier been found dismayingly.)

The lesson I take home is that the rejoicing across Europe in 1989 presages real struggle in 1990. The nations that have achieved freedom in 1989 have precious little working experience or tradition of self-rule. None of them is equipped for democracy: None has a wide variety of pluralistic institutions to give voice to people's concerns; none has professional and competitive news organizations, independent of government or party control, committed to informing the citizenry; none has legislators and government officials with the know-how and equipment to make a truly representative government work.

What they do have in all these countries is Communist cadres, still entrenched in the bureaucracy and just waiting for the reformers to fail. And, sadly, almost all these countries also have nationalist, right-wing elements ready to exploit the first signs of public frustration with democracy by voicing aren calls — "Just give us power and we will set things right." Native fascism is no stranger to most of these lands.

The ideals of the brave men and women who led the liberation struggles are exemplary, but these people lack the practical means to carry out their democratic functions. The only

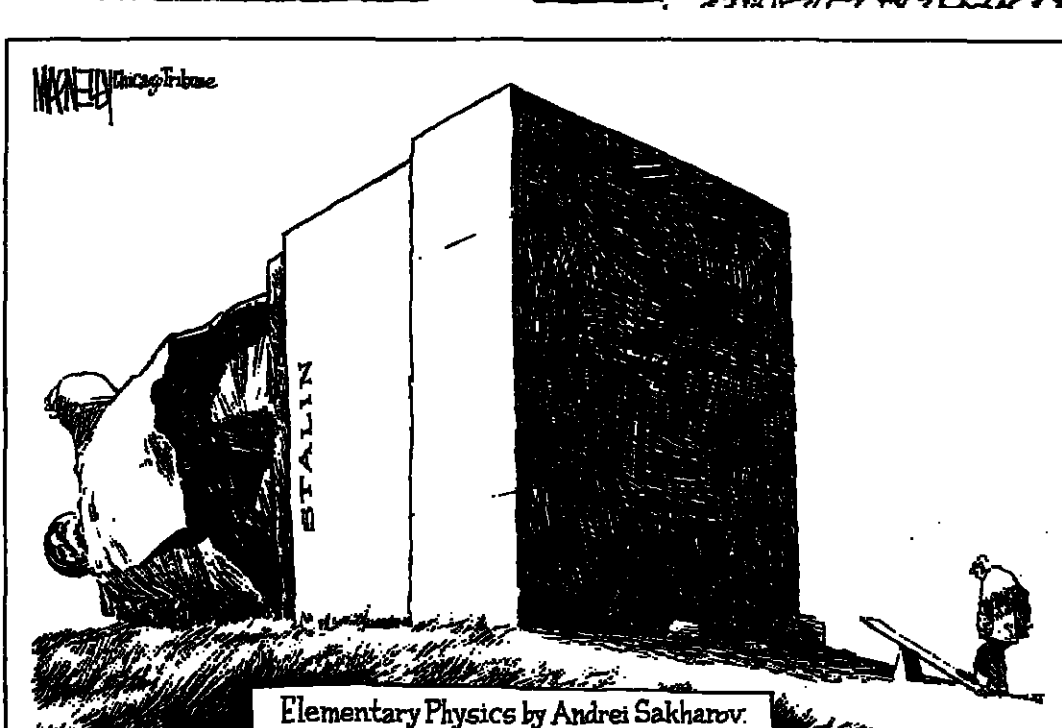
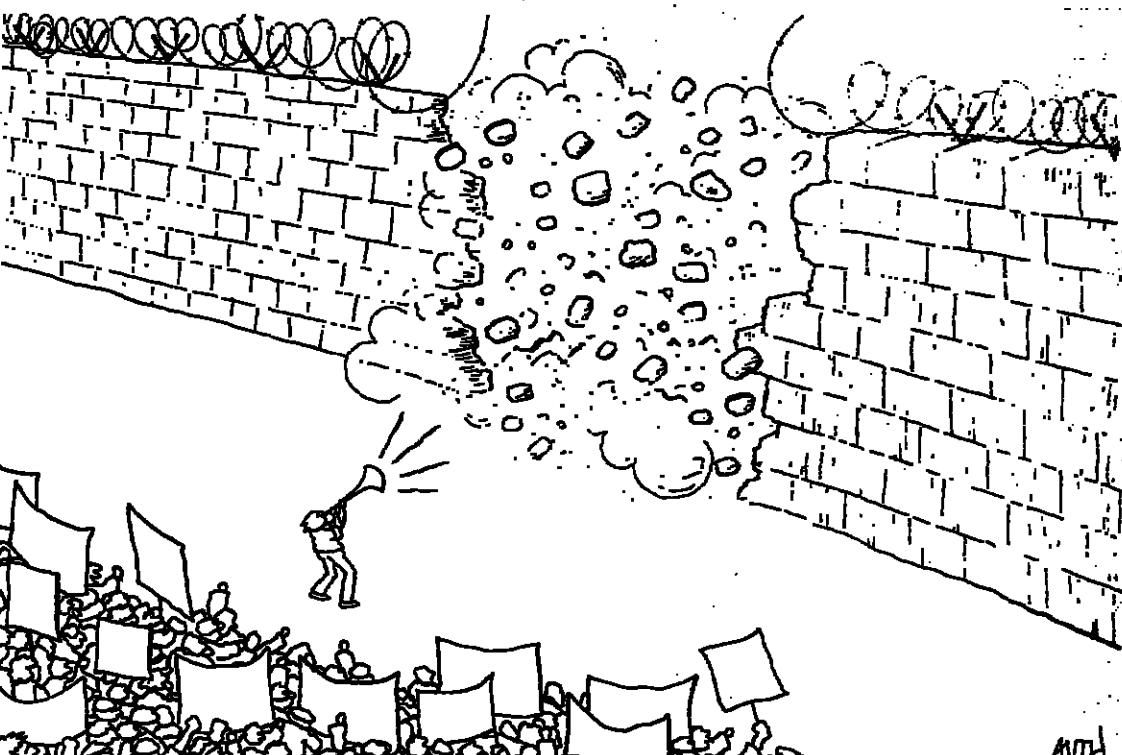
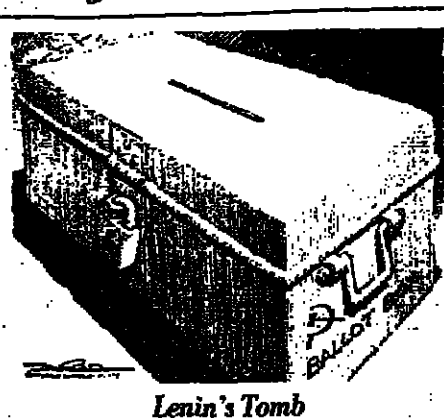
newspapers operating today in East Germany are those controlled until now by the Communist party. The same is true in Czechoslovakia and Hungary. In Poland, the jump in newspaper costs and the decline in consumer purchasing power threatens the survival of many non-Communist journals already cramped by shortages of printing equipment.

All these countries face elections in the coming spring and summer for which information is a vital necessity. They look to the West for financial and technical help — especially to the United States, which is not as suspect of having its own commercial or political agenda as, say, West Germany is.

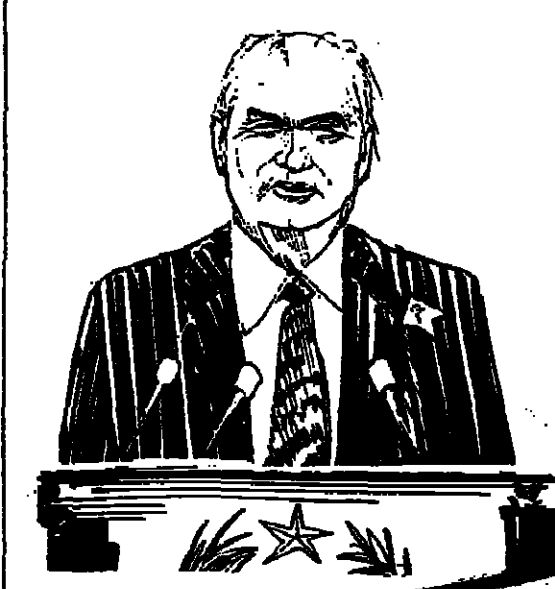
Not just the press but also the politicians need help from counterparts in the West. Before Christmas, as legislators debated risky free-market reforms, Poland's parliament building had the bustle and sense of urgency of the Capitol in Washington in the days before adjournment. But step into an office and you find secretaries waiting turns for a typewriter, and a telephone that works only sporadically. Printing and telecopying equipment promised by the U.S. Congress and the West German Bundestag have not yet arrived. As a result, said the speaker of the Sejm, "We cannot really tell our constituents what we are doing."

It may seem a long step down from the fireworks over the Arc de Triomphe to training staff members for East German newspapers or finding typewriters for the Polish parliament. But democracy depends on such help in 1990 — and the United States is the country that can provide it most easily without arousing suspicions as to its intent.

The Washington Post.



Elementary Physics by Andrei Sakharov.



Mr. Gorbachev was asked why, if he has made it possible for the rest of Eastern Europe to vote out the Communist Party, he now rejects that freedom for Russians...

'Shut up,' he explained.

WITH THANKS TO RAND LARSEN, DANZIGER, AND SECRET MESSIAH, LOS ANGELES TIMES SYNDICATE.

## 100, 75 AND 50 YEARS AGO

### 1889: New Year's Cards

PARIS — The Herald says in an editorial: "There is one feature connected with the custom of sending New Year's cards which has led to a great deal of dissatisfaction and ill feeling. This is the habit which many people have of writing their names and good wishes in ink on the back of New Year's cards. The usefulness of a card thus treated is ended. It cannot be sent by the recipient to some one else, as it might be were it not disfigured. Thus thousands of New Year's cards go into the waste basket every year instead of being passed from hand to hand, and giving inexpensive joy to half a dozen people."

### 1914: Albania Occupied

ROME — The landing of Italian troops in Vlorina has had the immediate effect of restoring order in the town and vicinity. The Italian and Albanian flags were hoisted over the residence of the Prefect of Vlorina

this morning [Dec. 29] amid an enthusiastic demonstration by the inhabitants. Albanian autonomy still exists, and the occupation has only a provisional character. Italians seem to fear that the Albanian Mohammedans may undertake hostilities against Serbia and Montenegro. The result of such action would be a Serbian invasion of Albania and new complications in the Balkans.

### 1939: Hitler on 1940

GERMAN FRONTIER — In a New Year's order of the day today [Dec. 30] Führer Adolf Hitler chose the "Gott mit uns" theme of the last year even though the ideology symbolized by the swastika looks to a Nazi-made Valhalla. He said that 1940 will be the most decisive year in German history, that the Reich is facing a battle for existence or extinction and expressing confidence in the army, he concluded: "We want to pray to the All Powerful that he should strengthen us in the fulfillment of our duty."

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## Ceausescu-Era Ties Temper Israel View Of Romania Events

By Alan Cowell  
New York Times Service

JERUSALEM — In recent days, Israel has sent six tons of medical supplies to Romania, lauded democracy's emergence there and condemned the violence by which forces loyal to Bucharest's ousted dictatorship sought to suppress a revolution.

But the Israeli response to the overthrow of Nicolae Ceausescu has been qualified by concern about the potential for a resurgence of Romanian anti-Semitism against the small Jewish community there, as well as by the memory of the Ceausescu government's activity as an intermediary between Arab and Israeli and its major role in helping Jews to emigrate to Israel.

"From a Jewish point of view, the account is not simple," Deputy Prime Minister Shimon Peres said in a radio interview Dec. 23, two days before the execution of Mr. Ceausescu and his wife, Elena, by a firing squad.

Mr. Peres, the Labor Party leader, acknowledged that the deposed Romanian leader was "a man who used very strong measures, like nobody since Stalin." But, he said, Mr. Ceausescu's government was "the only one among the Communist countries that recognized us and continued the diplomatic relations at a time of diplomatic drought concerning Israel."

Romania was alone among East European countries in maintaining ties with Israel after the 1967 Middle East war — a move that earned the gratitude of Israel and provided it with a sole point of formal diplomatic contact in Eastern Europe.

Israel had already forged a close

relationship with Romania because of Bucharest's record on Jewish emigration — a consideration that muted Israeli criticism of Romania's human rights record.

An official from Prime Minister Yitzhak Shamir's Likud party said: "In 1945, there were between 450,000 and 500,000 Jews in Romania. Most of them came here. And even during the 25 years of Ceausescu, 100,000 Jews were permitted to emigrate."

The official said that Jews of Romanian descent formed the second largest group of Jews in Israel, counted by their country of birth, after Morocco.

In Romania, he said, "all the Jews who wanted to come to Israel were eventually able to do so," and those who remained — currently between 18,000 and 20,000 — had "freedom of cult and culture."

Israeli newspapers have quoted officials as expressing concern that Mr. Ceausescu's protection of Romanian Jews could now make the Jews vulnerable to displays of anti-Semitism.

In recent years, Bucharest has also been a venue for a series of contacts between Arabs and Israelis. Diplomats have spoken of secret moves by Mr. Ceausescu to open doors between Israel and its adversaries, notably Egypt in the 1970s and possibly Morocco.

"I think he supported sincerely peace between us and the Arabs," Mr. Peres said. "I think he played a certain role in bringing the Egyptians and the Israelis together."

The Israeli Foreign Ministry said that Mr. Peres's views were his own, not an official government statement.



A WOMEN'S PROTEST IN JERUSALEM — Jerusalem policemen taking away a Palestinian woman Friday as a march by about 3,000 female peace activists ended in violence. After an outlawed Palestinian flag was raised, the police moved in with tear gas and truncheons and detained 16 demonstrators, including Dacia Valent of Italy, a European Parliament member.

## Iran Bolsters Aid to Hezbollah

Tehran Seeks Its Ally's Control of Muslims in Lebanon

By Ihsan A. Hijazi  
New York Times Service

BEIRUT — Fearful that a 10-year alliance with Syria may be coming to an end, Iran is increasing military and financial aid to its Muslim fundamentalist surrogates in Lebanon to help them gain supremacy in Muslim areas.

This is the explanation Arab diplomats and newspaper commentators are giving for an offensive that hundreds of fighters from the Iranian-backed Hezbollah, or Party of God, are waging to seize strategic positions in southern Lebanon from Shiite adversaries aligned with Syria.

After a week of large-scale gun battles, the fundamentalist hardliners have overrun five villages in the district of Iqlim al Toffah, and are continuing to push back militiamen of Amal, the Syrian-backed Shiite militia.

Their ultimate target, according to analysts, is Nabatiyah, the largest town in the Shiite hinterland in southern Lebanon. If they succeed, it would only be a matter of time before they establish control in the rest of the region bordering Israel, an Arab diplomat who did not want to be identified said.

Hezbollah has already allied with militant Palestinian factions in the area like Ahmed Jibril's Popular Front for the Liberation of Palestine-General Command. Amal has accused the Palestinians of providing logistical help to Hezbollah combatants in Iqlim al Toffah, which borders an area in the Sidon sector controlled by the Palestine Liberation Organization.

Iqlim al Toffah is only 15 kilometers (10 miles) southeast of Sidon and about 10 kilometers north of Nabatiyah. It has strategic value for Hezbollah because it links their bases in eastern Lebanon with the south of the country.

Arab diplomats said Iran had shown nervousness over the sudden

improvement in relations between Syria and Egypt.

Prime Minister Atef Sedki of Egypt visited the Syrian capital on Wednesday as part of preparations for a meeting between President Hosni Mubarak and President Hafez Assad of Syria.

The Syrian vice president, Abdel Halim Khaddam, visited Cairo last week for the same purpose; he was the first high-ranking Syrian official to set foot in Egypt since the two nations broke relations 10 years ago over Cairo's conclusion of a peace treaty with Israel.

During that period, Syria rotated toward Iran, and stood firmly on the side of Tehran during the eight years of war with Iraq.

The Syrian-Egyptian rapprochement is bound to re-establish old alignments under which Damascus might distance itself from the Iranians. Egypt has already expelled several Iranian diplomats, accusing them of helping Muslim zealots who are active against the Mubarak government.

A Beirut newspaper that supports Syria said Wednesday that Iran had done practically nothing to stop the violence between Shiites in Iqlim al Toffah.

News reports in Beirut said additional weapons and funds funneled to Hezbollah had enabled the fundamentalists to mount their offensive in Iqlim al Toffah. The arms included artillery and armored personnel carriers.

This aid has been estimated at \$3 million to \$5 million a month. Two thousand Iranian Revolutionary Guards, who have been in eastern Lebanon for seven years, provide military training and political and Islamic indoctrination. Hezbollah advocates the teachings of Iran's late religious leader, Ayatollah Ruhollah Khomeini.

Amal, though larger in number, lacks the money and equipment possessed by its Shiite rivals.

Hezbollah had massed about 1,500 gunmen in Iqlim al Toffah before the clashes erupted a week ago. Witnesses say 500 more have been sent to the area.

The Beirut newspaper As Safir said the Syrians were very upset by the outbreak of the so-called Shiite war, because it had wanted its allies to throw their weight behind Syrian troops now confronting Christian forces under Major General Michel Aoun.

General Aoun, demanding prompt withdrawal by Damascus of all of its 50,000 troops in Lebanon, has also defied the Syrians by rejecting the authority of the newly elected president, Elias Hrawi, who is supported by Damascus.

### Further Fighting

Shiite Muslim militias allied with Syria and Iran fought artillery and rocket battles Friday in southern Lebanon, the police said, killing five persons and wounding 16. The Associated Press reported from Beirut.

That raised the casualty toll to 51 persons killed and 203 wounded since fighting since Saturday.

A cease-fire brokered by Iran collapsed after Amal had demanded a Hezbollah withdrawal to the lines in effect before the current confrontation broke out. Hezbollah had insisted on a cease-fire in place followed by a dialogue with Amal over a formula for durable coexistence.

Hezbollah seized four villages in the early stages of the fighting and was later driven from two of them. Amal insists on regaining the remaining two villages.

"There shall be no withdrawals before a dialogue," said Sheikh Sobhi Tufaili, a senior Hezbollah official.

"We will stop shooting only when they return to their original lines," said Nabih Berri, the Amal leader.

## New U.S. Ambassador to Greece Tackles Anti-Americanism by Flying the Flag

By Paul Anastasi  
New York Times Service

ATHENS — Reversing America's low-profile diplomacy in Greece, he insists on braving the threat of terrorism by displaying the American flag wherever he goes.

He does not hesitate to step into the crowd to cheer at basketball games, and he jokingly reassures Greeks that, like most of them, is an islander — from the island of Manhattan.

After 15 years of strained relations between the United States and Greece, easing tensions between the two NATO members may well have a lot to do with the mouthy tactics of a Greek-American New Yorker: Michael Sotirhos, the new U.S. ambassador to Greece.

Mr. Sotirhos, 61, arrived in September and, to the dismay of the traditionally hostile Greek press, has plunged into a public relations campaign that his predecessors would never have attempted.

Greece first got a hint of the ambassador's new approach when he turned up at the funeral of Pavlos Bacoyannis, chief spokesman in parliament of the conservative New Democracy Party, who was killed by far-left terrorists in September.

For the first time in years, the American flag flew from the ambassador's armored limousine.

Mourners broke ranks and burst into applause at the sight.

Similarly, it was front-page news when the ambassador scored another first by visiting Communist Party headquarters to talk with the party leader. He next turned up at a hastily summoned town hall reception for Boris Yeltsin, the popular Soviet legislator, while the Soviet ambassador failed to appear.

Mr. Sotirhos broke with protocol by strolling onto the court to greet the stars of Greece's top basketball team. On another occasion, he mingled with fans at a heated soccer game. Both times he was applauded and even embraced by fans.

As evidence of his adherence to the Greek Orthodox faith, the ambassador attends mass every Sunday at churches in Athens and sometimes sings along with the choir. Always, he wears an American flag pin in his lapel.

"We're going to take every necessary security precaution, but we're not going to hide," a diplomat recalls the ambassador telling staff members. "Having armored cars and bodyguards, that's security. Not flying the flag is hiding."

This approach differs considerably from diplomatic practices adopted since 1974, when simmering anti-Americanism and terrorist at-

tacks compelled most Americans to maintain a low profile.

Mr. Sotirhos has ordered that the American flag fly on all occasions. He has encouraged diplomatic personnel to widen the circle of leaders they meet to include Communists, and to seek contact with the public.

At meetings with U.S. servicemen, he urges them to emphasize rather than hide their official status. "Go out, go to the countryside, find the mayor and introduce yourself as an American," he said, according to the diplomat.

Another foreign diplomat said that the new ambassador had succeeded in "accelerating the gradual decline of anti-American sentiment and taking it one step further to revive traditional pro-Americanism among Greeks."

The United States and Greece had warm relations in the years after World War II, largely because of U.S. military and economic aid and the fact that many Greeks had relatives or close friends in the United States.

But U.S. tolerance of the rightist dictatorship that ruled Greece from 1967 to 1974, and of the Turkish invasion and continuing occupation of Cyprus, led to a reversal of sentiments, violent demonstrations and terrorist attacks.

Matters have improved in recent years. Ac-

cording to Eurodim, an independent polling bureau, 59 percent of Greeks questioned in March would like an improvement in Greek-American relations, compared with only 31 percent in March 1981.

But Panayotis Dimitras, director of the bureau, says research shows that one in three Greeks remains unreservedly hostile to the United States and unconditionally wants the expulsion of U.S. bases and Greek withdrawal from the North Atlantic Treaty Organization.

While developments in Eastern Europe and the decline of Communist domination may

partly explain Mr. Sotirhos' warm reception, the ambassador also enjoys the advantage of being the first Greek-American in the post. His wife, Estelle Manos, is also Greek-American, and both speak Greek fluently.

The advantage of language and the ethnic connection is evident in most of the ambassador's public appearances. One witness recounted an incident when Mr. Sotirhos, questioned by an elderly couple in the streets of a small town, informed them that his father was from the island of Kithira and his mother from the island of Milos.

"So you are a Nistotis, an islander, like us?" the couple asked him.

"Yes," the ambassador replied. "I'm from Manhattan."

Born in New York, Mr. Sotirhos studied business at City College. He has served in numerous public and political posts and received honors ranging from the man of the year for the Juvenile Diabetes Foundation to the Republican Party's ethnic man of the year.

His last assignment was as ambassador to Jamaica.

## Office Tower Plan Could Cost Kenya Outside Aid

By Jane Perlez  
New York Times Service

NAIROBI — Kenya's major financial donors, including the United States and Japan, have expressed their disapproval of plans to build a 60-story, \$200 million office tower, which they say the country cannot afford.

The donors believe the expenditure on the building, which has also become a cause célèbre here on environmental and political grounds, violates the spirit, if not the letter, of agreements that Kenya has with the World Bank and the International Monetary Fund.

The \$160 million loan from foreign banks that the government has said it will guarantee, as well as a \$40 million local loan, breaks an agreement that Kenya will keep its economic house in order and its commercial loans at a minimum, diplomats in Nairobi said.

While the major donors have not yet threatened to cut financial aid,

it could come to that, the diplomats said.

If the parliamentary bill in which the government guarantees the loans breaks the agreements with the World Bank and the IMF, hundreds of millions of dollars of aid could be in jeopardy.

President Daniel arap Moi announced that the 60-story tower, which would be the tallest office building in Africa, would house the headquarters of the governing Kenya African National Union.

He has defended the project as a prestige edifice for Kenya and has

asserted that plans to locate it in what is now a heavily treed Nairobi park are environmentally sound. Until now Kenya has been praised by Western donors for being fairly prudent in its borrowing policies.

But in recent months commercial loans have been taken out not only for the building, but also for aircraft and spare parts for Kenya Airways, a gas pipeline and sugar factory equipment.

The loans total about \$400 million, twice the size of Kenya's foreign exchange reserves.

The loan for the office tower is the most troubling, a diplomat said, not only because it is the biggest, but also because the money could otherwise be used for the productive sector.

The loan also comes when the Kenya economy is not looking as perky as it once did. In a public address in Nairobi, the charge d'affaires of the U.S. Embassy, George G. B. Griffin, noted that economic growth in Kenya was expected to drop to 4.9 percent in 1989 from 5.2 percent last year.

### MONKEY BUSINESS



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## HAVEL: A Vow to Hold Elections

(Continued from page 1)

pected to address the nation by television on New Year's Day. Meanwhile, he has told friends, he will not move up to the splendor of the presidential residence in the palace like his retired predecessor, Gustav Husak, but will remain in the flat in the center of town where he and his wife, Olga, have lived for years, and commute to work in his car.

He is a man who wrote, in a 1984 acceptance speech for a French university award that the Czechoslovak authorities would not allow him to pick up. "The slogan 'better dead than dead' does not irritate me as an expression of surrender to the Soviet Union, but it terrifies me as an expression of the renunciation by Western people of any claim to a meaningful life and of their acceptance of impersonal power as such. For what the slogan really says is that nothing is worth giving one's life for."

Through much of Mr. Havel's work runs the thread of what he calls "the absolute horizon" — the moral and philosophical judgments that give human life its meaning. He repeatedly warned his persecutors that by their cynical repression of human freedom they were ultimately undercutting their own existence as well.

When the Soviet-led invasion be-

gan in August 1968, Mr. Havel took part in Free Czechoslovak Radio broadcasts. A year later, he signed a declaration condemning the post-Dubcek policy of "normalization." His already-published works were withdrawn from public libraries, and his new works were automatically banned from publication.

In April 1975, he sent a letter to the man he has now succeeded as president, Mr. Husak, warning that ultimately a repressed people would demand a price for "the permanent humiliation of their human dignity."

For writing that letter, and for organizing the Charter 77 human rights movement at the beginning of January 1977, Mr. Havel was arrested and charged with "subversion of the republic."

Convicted that October, his 14-month sentence was conditionally deferred, but he was in and out of jail again until arrested in May 1979 for supporting the Committee for the Defense of the Unjustly Prosecuted. With Jiri Dienstbier, now foreign minister, and four other defendants, he was tried again for subversion that October and sentenced to four and one-half years in prison but was released for health reasons in February 1983.

His refusal to break with the Charter 77 movement led to other brief periods of detention in jail.



CZECHOSLOVAK INMATES AT MASS — Prison inmates in Leopoldov, Czechoslovakia, taking part in a Roman Catholic Mass, the first there in 40 years. They were on a hunger strike to press demands for improvements in prison conditions and for an amnesty.

## 30 Cancel Jet Trip After Bomb Threat

Passengers Skip Paris-Detroit Flight Despite Vows of Increased Security

WASHINGTON — At least 30 passengers booked on a Northwest Airlines flight from Paris to Detroit canceled their reservations Friday after learning of a bomb threat against the plane.

Northwest Airlines said it would increase security precautions to ensure that the Paris-Detroit flight on Saturday would operate safely.

In an unusual public response to a bomb threat, the airline announced that passengers who did not want to take Flight 51 could postpone their flight or switch to other carriers without penalty.

Northwest's Paris office said at least 30 passengers had changed reservations by noon on Friday. Earlier reports said that between 120 and 130 passengers were booked on the DC-10.

The Federal Aviation Administration has a policy of not alerting the public to security threats unless they are very specific and the flight involved is not being canceled. The Northwest threat appeared to meet conditions that would allow disclosure.

Pierre Quilici, deputy chief of the French Air and Border Police, said Friday in Paris that U.S. authorities had passed on word of the threat several days ago. Most of the special security measures that will be taken to protect the flight cannot be disclosed, he said.

"I can say that the airplane will be guarded from its arrival in Paris," he said. "We will reinforce the controls on the passengers, the hand baggage and the checked baggage."

A Northwest spokesman, Douglas Miller, said in St. Paul, Minnesota, "This is an unusual threat in the fact that it's very specific, directed at a specific flight on a particular day, and that is what adds to the precautions that we're taking surrounding it."

Mr. Miller said that Northwest had informed the U.S. and other agencies involved but that the Federal Bureau of Investigation had asked the airline not to disclose any other details about the threat, including where or when it was made.

An aviation agency spokesman, John Leyden, indicated that there was little unusual about the threat itself, which he said came in an anonymous phone call and was one of about 300 received by U.S. airlines each year.

Mr. Leyden said officials were "working with Northwest and with the French authorities to ensure

there is extra security on the flight."

The agency and airlines have come under pressure to be more forthcoming in disclosing security risks after 270 people were killed on Dec. 21, 1988, when a bomb blew up Pan Am Flight 103 over Lockerbie, Scotland. The plane, which had stopped in London, was en route from Frankfurt to New York.

A threat against Pan Am on the Frankfurt-to-New York route received some distribution within the U.S. government but was not made public. Officials later declared the threat a hoax.

ABC News, quoting sources, reported Thursday that a man with a "Middle Eastern accent" made the threat to Northwest's Detroit office, saying the bombing would be in retaliation for life sentences handed down to two Palestinians convicted in Sweden of charges connected with a string of bombings in Europe.

One of the two, Abu Mohammed Talib, is a suspect in the Flight 103 bombing. He and a co-defendant, Marten Imsandi, were sentenced to life in prison for their part in the 1985 bombing of a Northwest office in Copenhagen that killed one person and wounded 20. It was one of four bombings in Denmark and the Netherlands for which they were convicted.

The threat against Northwest Airlines has resulted in tightened security for all Northwest flights out of Paris, Mr. Miller said.

"We intend to fly the plane," he said. "We feel that we have all the precautions and security measures in place to operate the plane safely. If we did not feel 100 percent positive about our ability to fly the plane safely, we would not put it in the air."

Mr. Miller said that the airline had not decided whether to attempt to advise passengers individually prior to their arrival for the flight, but that a statement noting the threat would be handed to those who go to the airport for departure Saturday.

"They can change their itineraries without penalty," he said. Airlines regularly prohibit reservation changes or charge for them when passengers fly on the least-expensive fares.

Northwest reservations clerks, meanwhile, were advising callers of a "security threat" against the flight. Callers were told they could change reservations to another day or to another flight on a different airline.

## Under Bucharest, the Securitate Thrived

By Blaine Harden

Washington Post Service

BUCHAREST — Down below the Communist Party Central Committee building from which Nicolae and Elena Ceausescu controlled Romania for 24 years, the doors to the underground world of the state secret police were made of armored steel plate.

Behind the 7.5-centimeter (3-inch) thick doors, are offices and apartments, weapons and ammunition, a communications center, a bomb shelter and refrigerators filled with meat. They belonged to the "Fifth Direction" of the secret police, or Securitate — Mr. Ceausescu's personal guard, an elite force that fought on after the death of its leader.

The members of the Securitate fought all week. The army said Friday that a few members were still down there fighting.

They dress in black berets and black jumpsuits with red silk stripes from wrist to cuff. They carry small, two-way radios and speak into them in a coded language. They are armed with automatic rifles, which are equipped with infrared night scopes for sniping.

An army lieutenant-major who fought against them for a week

said, "They are very good shots. They shoot only for the head. Their accuracy is fantastic."

It was the Securitate, a force that Mr. Ceausescu created to protect himself and his family from a populace that hated his regime, that shot hundreds of unarmed civilians and hundreds of army soldiers in the days after the leader was toppled.

Branching out from the Central Committee headquarters, three stories deep, with its command center at the bottom level, there is a labyrinth of tunnels beneath Bucharest.

One connects the Central Committee building with the nearby Palace of the Republic, where other Securitate members were stationed. Another tunnel, goes to the army officers club. Another connects to one of Mr. Ceausescu's homes.

The extent and reach of the tunnels has still to be learned. The lieutenant-major said that the members of the "Fifth Direction" were still in the tunnel, and that the army had not had a chance to explore the entire network.

"It might be even bigger than we have discovered," he said, adding, "At this point we don't know."

The Securitate, an organization that a Western diplomat said had a total membership of about 60,000,

was the favorite military wing of the Ceausescu regime. In the Central Committee on Friday, the lieutenant-major and another soldier, who fought the Securitate members underground this week, described what they saw.

They led three reporters down to the first level of the headquarters, a brightly lit series of rooms separated by the armored steel doors and threaded with electrical wiring and air ducts. One of the concrete-walled rooms had a refrigerator full of beef, something that Romanians almost never saw in the stores under the Ceausescu government.

The underground Securitate rooms, which had been a state secret, were discovered Dec. 22 when the army joined anti-Ceausescu demonstrators in the streets. Civilians and soldiers stormed into the Central Committee building to find a secret staircase, which kept leading downwards.

But the extent and the sophistication of the Securitate installation beneath the Central Committee were not well understood until Dec. 23, a soldier said Friday. On Dec. 23, the son of an architect who designed the underground rooms, apparently fearing retribution from the new government, came forward with architectural drawings.

Equipped with the drawings, the army began fighting its way down. The lieutenant-major said that the soldiers discovered a well-equipped bomb shelter with machines for filtering air and water, as well as a room for decontaminating people and equipment exposed to radiation. The lieutenant-major said that on the third level, the army found a large command center with a wall-length console of buttons and switches.

In the fighting beneath the Central Committee, the Securitate killed two army officers and four soldiers, the lieutenant-major said. He would not give the number of Securitate members who were killed or captured by the army.

The soldiers coming into the underground room on Dec. 22 found several black-suited men who appeared to have committed suicide by shooting themselves.

The few Securitate patients who spoke at all — the last one was taken away from a hospital by the army on Thursday — were wildly defiant, a doctor said.

"I am sorry because I did not do everything possible to kill everyone," one doctor quoted a Securitate major as saying while he was handcuffed to a hospital bed this week.

## ROMANIA: Securitate Fights On

(Continued from page 1)

elections in April, has also pledged to honor all of Romania's international commitments, including its membership in the Warsaw Pact.

The new Romanian leaders are likely to meet the leaders of the six other Warsaw Pact countries for the first time in the Bulgarian capital on Jan. 9 when Comecon, the Soviet-led trade organization, meets for its annual congress.

In an initial thrust at diplomacy, the new Romanian foreign minister, Sergiu Celac, held two hours of talks Friday with his Hungarian counterpart, Gyula Horn, the Romanian news agency Agerpres reported.

The two countries were bitterly at odds under Mr. Ceausescu over the large Hungarian minority in Romania and human rights policies in general.

"The talks were very successful and marked by a particularly good atmosphere," Mr. Horn was quoted as saying.

Mr. Ionescu defended former Communist leaders who have been included in the new interim leadership by saying that everyone was formerly Communist.

"Many Communist Party members are indispensable," he said. Because Mr. Ceausescu took the toughest line on dissent in Eastern

Europe, Romania was never able to develop the network of dissidents who formed the core of opposition movements in Hungary, East Germany and Czechoslovakia and who now have or will soon play an important role in government.

But already this week, several parties have announced their formation as Romania gradually awakes to political pluralism.

A new student movement calling itself The Free Youth of Romania has been established, Agerpres reported Friday.

Ecologists, Christian Democrats and farmers have all come forward with political programs in the first heady days of democracy.

The Communist Party, Mr. Ceausescu's tool that dominated the country from 1946 until a week ago, appears to have vanished.

"It has not been banned," Mr. Bogdan said. "It simply does not exist any more."

In apparent defense of the National Salvation Committee's move to consolidate its power and its declaration Thursday that it had the right to issue decrees that carry the force of law, Mr. Bogdan said that, in the days following Mr. Ceausescu's overthrow, the new leadership had been concerned to eliminate abuses of power.

(Reuters, AP, AFP)

## Olympic Shooters Fought Against Romanian Police

BUCHAREST — Two winners of Olympic gold marksmanship medals fought in the ranks of Romanians who toppled Nicolae Ceausescu. Many other athletes were killed or wounded in the fighting.

Members of the Steaua Bucharest military sports club helped defend the adjacent Defense Ministry against assaults by secret police troops loyal to Mr. Ceausescu. Some reports say the ministry was where Mr. Ceausescu and his wife, Elena, were imprisoned, tried and executed Monday.

Sorin Babii, an army officer and Romania's 1988 Olympic pistol-shooting gold medalist, was among those firing at snipers. "This was not the kind of practice I wanted," Mr. Babii said.

Another participant was Corneliu Ion, the 1980 Olympic rapid-fire shooting gold medalist. "I can't say for sure if I hit anybody," Mr. Ion said. "There is a big difference shooting in a 50-meter firing range when the only stress is to score points, and at 300 meters when you are fighting for your life."

Among club members, the dead include Romania's national rugby team captain, Florica Murariu, and Radu Dudac, another international rugby player. Mr. Murariu led Romania to a 15-9 victory over Wales in Cardiff in December 1988, the first international victory for the Romanians in Britain.

## FEARS: Children in Timisoara

(Continued from page 1)

logue. There was not much Mr. Balan could do — the Securitate was in charge, not he.

The toll of the bloody confrontation that Dec. 17, when security forces opened fire on the demonstrators, seems far lower than the thousands initially claimed — perhaps several hundred in all. No body really knows. No accurate count has been made of the missing, less than 150 are known to have died at hospitals, and only a handful of bodies were found elsewhere.

But the more important point Mr. Fortuna wanted to stress was that youths went out knowing there would be victims.

Timisoara was what the other East European nations had feared: a violent rearguard action by the political police that each Communist regime had organized on the model of Stalin's secret police. But

## REFUGE: Arms Seized at Camp

(Continued from page 1)

reduce the possibility of serious injuries."

The clash came hours after a group of 111 Vietnamese voluntarily left Hong Kong on Friday morning on a chartered airliner for Hanoi rather than face months or years in the crowded camps.

The group was the eighth to return to Hanoi under a United Nations-sponsored voluntary repatriation program, bringing to more than 865 the number of Vietnamese who have willingly gone home.

A police spokesman said there was no apparent reason for the repatriating at Chi Ma Wan, but widespread reports have said the group to be repatriated against their will would be drawn from the 3,500 inmates in the camp.

Fifty-one Vietnamese, most of them children, were forcibly repatriated on Dec. 12, triggering national protests. But Britain and Hong Kong have vowed to continue the program.

"It's purely a matter of logistics," a government spokesman said. "As soon as we work out the details with Vietnam, another group of nonvolunteers will go."

## Roh Fires the Chairman Of His Governing Party

SEOUL — President Roh Tae Woo dismissed Friday his top party leader, who had proposed replacing the governing party with a new political group involving some opposition politicians.

"President Roh accepted the resignation of Chairman Park Jyun Kyu, who stirred up a controversy in connection with his remarks on a political restructuring," a spokesman said. Mr. Park, No. 2 man in the hierarchy of the Democratic Justice Party, was relieved after he said that the governing party could be replaced next year with a broad-based political group.

Each forced repatriation has to be worked out individually with Hanoi. Government officials said that another group of Vietnamese probably would be forcibly returned by mid-January, ahead of a United Nations conference on refugees in Geneva that is to begin Jan. 18.

Aid workers say that Hong Kong may find it difficult to forcibly repatriate many more Vietnamese.

Vietnam has said it would refuse to take back anyone who is deported from Hong Kong by force — drawing a distinction between those who show no resistance and those physically forced to leave.

Hong Kong has said none of the 51 Vietnamese resisted when they were moved from their holding center to the airport.

"There's a hard core in the camps, many of them younger men who have been in the army, who believe if they resist Vietnam won't take them back," a volunteer worker at one of the camps said. "In Chi Ma Wan people sleep with their shoes on in a different hut each night so the guards won't be able to find them to send them back," he said.

(UPI, AP, Reuters)

## Pooch Drops A Bombshell

REUTERS

LONDON — A dog gave its owner, something to bark about when it trotted home with a hand grenade in its mouth.

Police in Birkenhead, northwest England, said they had evacuated the owner's house and six neighboring homes while army experts spent two hours defusing the World War II device Thursday night. They said that the dog could have dug up the grenade from a garden or waste dump.

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—hand delivery Madrid	Ptas. 46,800	—	23,400
Sweden (airmail)	S.Kr. 2,000	1,276	1,100
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## Anti-Art Show of an Anti-Movement

By Roberta Smith  
New York Times Service

BOSTON — "We will not lead; we will only detonate" is one of many slogans that mingle with art and written texts in an exhibition at the Institute of Contemporary Art here.

The words are those of the French filmmaker and writer Guy Debord. The exhibition is an amazing, cacophonous mélange that commemorates Situationist International, a kind of anti-art, anti-movement art movement of painters, writers, architects and filmmakers that flared briefly in the intellectual ferment of postwar Europe.

Even the show's title, which gets its first part from the name of one of Debord's films, echoes this denial of leadership: "On the Passage of a Few People Through a Rather Brief Moment in Time: The Situationist International, 1957-1972."

Situationist International was founded by Debord, the Danish painter Asger Jorn, Giuseppe Penone, Italian painter and political radical, and several others. At its height, in the late 1950s and early '60s, there were chapters in a half-dozen European countries, united by annual conferences and a journal published twice a year in Paris, Situationist headquarters.

The Situationists combined strands of Marxism and psychoanalysis with a Surrealist-inspired sense of play — a belief in what might be called the creativity of everyday life. They saw society descending into an all-embracing spectacle that rendered the individual passive and alienated.

In the avant-garde tradition, the Situationists also disagreed among themselves, splitting and regrouping at intervals. Fearful of being absorbed by the art market, they declared in 1961 that there was no such thing as Situationism or a Situationist work of art.

Their ideas, encapsulated in Debord's 1967 book "Society of the Spectacle," are often believed to have influenced the students who started the uprisings of May 1968. But the movement deteriorated and by 1972 Debord disbanded it.

Yet like other avant-gardists, the Situationists left a rich legacy of both art and language. As this ambitious and idiosyncratic exhibition demonstrates, strains of Situationism can be found in punk rock, Conceptual art and the ubiquitous 1980s strategy of appropriation.

Situationist ideas covered everything from new ways to make (and sell) paintings to new designs for cities and new ways to experience existing cities.

Romantically, the Situationists proposed as art a sensitized stroll, which they called a *dérive* or drift, through a city in order to experience the "geopsychology" of its changing spaces, moods and scenes. Almost all Situationist strategies stemmed from working with — and heightening awareness of — an existing situation rather than from creating original works.

A primary tactic was *détournement*, the redirecting of found images. Jorn added flamboyant Expressionist passages to kitschy flea-market paintings, supposedly liberating their hidden subjectivity and also taking a jibe at the purity of the American action painters.

In a similar spirit, Pinot-Gallois invented machines that helped him cover big rolls of canvas with beautiful stains and brushwork, making what he called "Industrial Paintings" that he sold by the yard.



"The Avant-Garde Doesn't Give Up" by Asger Jorn, in the Situationist show.

Jorn and Debord collaborated on books made entirely from existing text and images, while other Situationists inserted political polemics into the speech balloons of popular cartoons and comic strips.

Debord made films from found footage and unrelated sound tracks. One of his more memorable proposals (never carried out) was to screen "Birth of a Nation" with a new sound track that would discourse "on the horrors of imperialism and the Ku Klux Klan."

Not surprisingly, the exhibition, which includes all this and more, is a kind of anti-exhibition. Designed by Nigel Coates, once a Situationist

architect, and Christophe Egret, it has its own aggressive geopsychology that subverts all expectations of a logical, contemplative sequence of artworks in favor of continual sensory bombardment and general chaos.

Nine of Jorn's marvelous paintings are hung in a stairwell, while several walls are papered with pages from the Situationist magazine. Red arrows inspired by Debord's maps of drifts through Paris swoop through the air and cover the floor, guiding the eye everywhere and nowhere.

It is fortunate that the Situationists believed that no idea was so

complex it couldn't be condensed into a catchy slogan. As a result, the long wall texts that explain various Situationist strategies, theories and ideological splits are relieved by the group's pithy slogans.

Such epigrams as "Beneath the cobbles of the beach" dangle from plexiglass panels or are splashed, white on red, onto a big pier that runs through all four levels of the museum.

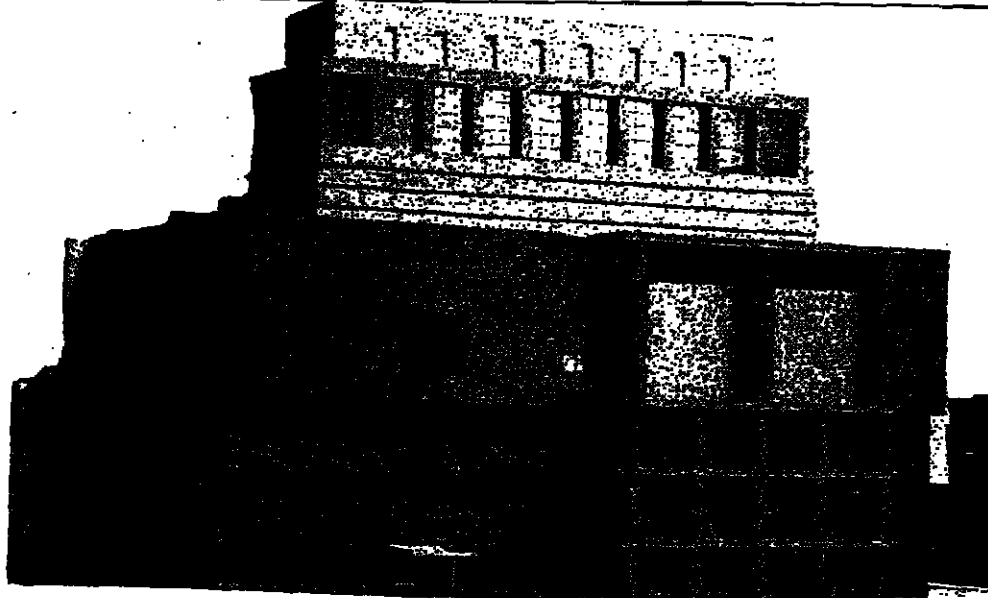
The exhibition demonstrates how little Americans know about the development of postwar European art, the time of American art's ascendancy. It also suggests that the desire to combine art and poli-

tics may have deeper roots in Europe than in the United States.

At the same time, this show is surprisingly accessible, with a great deal to say to people who rarely set foot in museums, speaking in an understandable voice about the freedom and creativity of all individuals.

Coming when the role of politics in art — and vice versa — is being debated in the United States and when political change is on the rise in Eastern Europe, this exhibition could not be more pertinent.

As the Situationists put it: "Our ideas are in everybody's head, and one day they'll come out."



A model of Michael Graves' proposed addition to Whitney Museum of American Art.

## Museum Politics

Has the Whitney Lost Its Sense of Direction?

By Grace Gineck  
New York Times Service

NEW YORK — The trustees of the Whitney Museum recently set up a committee to review the current status and consider future directions of the museum, but their mild language blurred the fact that serious problems are plaguing the institution, the United States's foremost museum of American art.

One problem is a conflict among the trustees over whether Thomas N. Armstrong 3d, the museum's director for 16 years, should remain; another is the museum's projected addition, designed by the post-modernist architect Michael Graves. Plans for the addition have yet to be approved by the New York City Landmarks Preservation Commission and which has aroused heated opposition. A third problem, laid at Armstrong's feet by those trustees who would like to the end of him, is a view that the Whitney lacks direction as a museum.

The Whitney's critics point to what they consider the rudderless drift of its exhibition programs, the trendiness of its shows — particularly its market-conscious biennials — and the lack of a substantial curatorial presence that would give the museum a more scholarly focus: "The whole thing is a mess," said a benefactor of the Whitney — who, like almost everyone else connected with the museum, declined to be identified. "But at each meeting of the board, instead of coming to grips with the situation, they appoint another committee. It will end up with the 19th committee meeting choosing another committee. That has been the procedure."

As for Armstrong, apparently a majority of the 35-member board favors his ouster. His resignation was requested several weeks ago by William S. Woodside, the museum's president, but he has refused to resign, say sources close to the museum, and he is said to have the support of Flora Biddle, the chairman of the museum and a granddaughter of its founder, Gertrude Vanderbilt Whitney. Neither Armstrong nor the trustees would discuss for the record the reasons for the trustees' disenchantment with

him, but fiscal problems are apparently not among them.

For the last three years, thanks to practices credited to Woodside, the museum once burdened, like nearly all non-profit institutions, with a deficit, has had a modest surplus. In 1989 its operating budget was \$10.7 million. Among other considerations, however, Armstrong is said to have alienated several benefactors, among them the collectors Jean and Howard Lipman.

The Lipmans, who have been the Whitney's biggest donors of art since the founder, have made it known that they will not give the cream of their collection — works by David Smith, Alexander Calder and Louise Nevelson — because of

serious. [But] all the people who are negative about Tom have expressed great friendship for him. He's a lovely man, a bright man, and everyone recognizes the great job he's done since Jack Baur left. But not lately." (Baur was the Whitney's director from 1968 to 1974.)

Staff members who admire Armstrong defend his record. They contend that while the Whitney has presented retrospectives of marketable recent arrivals on the art scene, including Eric Fischl, Julian Schnabel, Cindy Sherman and Robert Mapplethorpe, it has hardly neglected more established figures like Charles Demuth, Charles Sheeler, Ralston Crawford and Edward Hopper — whose work it owns in great depth — along with older contemporary artists like Donald Judd, Ellsworth Kelly and Willem de Kooning.

Armstrong's defenders also note that during his tenure the museum has collected more vigorously than at any time since the days of Gertrude Vanderbilt Whitney, who founded the institution in 1931. Since the director's arrival in 1974, they point out, the museum's total number of works has increased by more than 2,000, to a current total of about 8,500.

A continuing criticism leveled at Armstrong is that he has failed to bring to the museum strong curatorial talent that might develop a cohesive policy and a more discriminating sense of its relationship to American art. The Whitney has also been the target of critics who maintain that no definitive studies of 20th-century American art along the lines of the works produced by scholars at, say, the Museum of Modern Art have yet emerged from the museum.

Compounding the Whitney's troubles is a projected \$37.5 million addition, which would double the museum's size.

Although still in the drawing-board stage, it has already proved a costly project, entailing \$2.7 million to date in design and legal fees, and to relocate people to be displaced by the expansion. Armstrong was strongly involved with the selection of Graves, whose designs have been part of the post-modern movement away from the austerity of International Style architecture.



Thomas N. Armstrong 3d.

their disappointment with Armstrong.

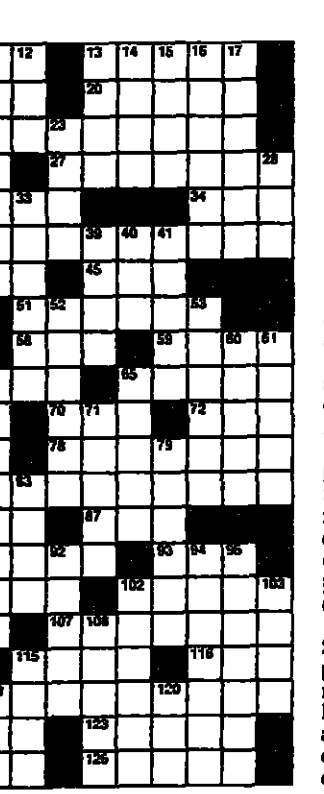
There apparently is also dissatisfaction among some board members with what they regard as Armstrong's free-wheeling management style. He has told friends, for example, about the time he was rebuked by a prominent trustee for growing tomatoes in a garden on the Whitney roof and selling them for the benefit of the museum.

Another board member said of Armstrong: "I find him very much in the spirit of some of the artwork we show that's more for fun than

ACROSS  
1 Ballerina's balancing act  
2 Bar of antiquity  
3 Commodities  
18 Sci-fi character  
19 Headgear for a peer  
20 Woodworking tool  
21 Lady Mary Wortley Montagu's Rx?  
24 Cartoonist Fisher  
25 Israeli seaport  
26 Sir Henry Wotton's Rx?  
27 Pacific Island  
28 Diva Galli-Curci  
31 Hôtel—Invalides, Paris  
32 Chit  
34 S. Africa's Paul Kruger  
35 John Milton's Rx?  
42 "It Again," 1926 song  
43 Brace  
44 Opposite of smol.  
45 Butler at Fordham  
46 One of a Vegas cowboy  
48 Change: Comb. form  
51 Samples  
54 John Fletcher's Rx?  
58 Literary monogram  
59 Former A.L. team  
62 Lake dark clouds  
63 Midnight fluid  
64 Cry of triumph  
65 Sunny side of a mountain  
66 Kind of jet  
67 Place for a puttee  
68 General at Gettysburg  
70 River in E. England  
72 Gob  
73 Attention  
74 Cricket sides  
77 O'Neill's "The Great Brown"

DOWN  
1 West Indian resort group  
2 City near San Francisco  
3 Lip  
4 Fix  
5 Represent on the stage  
6 Cause of eruptions  
7 One of the Three Stooges  
8 Imitates Polonius  
9 Foursquare  
10 Cousin of vague or flat  
11 Bacon's Rx for full man?

12 F.A.A. airport  
13 French flatfoot  
14 Spike the punch  
15 Aleutian island  
16 Caribolic acid  
17 Kind of partner  
21 Bigger's sleuth  
22 Attach  
23 "—of the Wolf," Bergman film  
26 One of the "Little Women"  
30 Rembrandt's birthplace  
31 Base or hospital area  
33 Famed folk singer  
37 Truck-stop sign  
38 Indonesian island  
39 Gaelic  
40 Winery container  
41 Correct  
43 Musicians' transition  
47 Teraphim  
49 Tony's relative  
50 Pertaining to the open seas  
52 Early 1900's school of painters  
53 Post-novelist day  
54 Garb for Wagner, Surica et al.  
55 D-day beach  
56 Geometry verb  
57 Partisan of the theater  
60 Novelist Edwin Way  
61 Woodcock  
64 Wounded croquet ball  
65 Menzies role  
66 "— Explain," 1974 holiday song  
71 —up (pail)  
74 "Sons and Lovers" hero  
76 Sage of Greek temples in India  
79 Work-break item



© New York Times, edited by Eugene Malachuk.

## Haute Fakes: Legal Art Frauds

International Herald Tribune

PARIS — Daniel Delamare has for three years been selling what he calls *vrai faux*, or real fake, paintings, mostly Impressionist, from his gallery off the Faubourg St. Honoré. He claims they are enjoying a boom comparable to that

MARY BLUME  
in the market for original works of art.

"We have established a sort of second market. Our prices should increase just as the primary market does," he says. When he opened his gallery, his starting price was 20,000 francs; now it is 50,000 francs, (or about \$8,600). A copy of Gustav Klimt's "Black Feather Hat," which he has hanging in his living room, along with a "Turner" and a couple of "Manets," has enhanced by one-third. Since he makes only one copy of each painting, he says values are based on demand.

"We bought back a Modigliani that we sold for 40,000 francs shortly after we opened. We paid 65,000 francs to the first buyer and resold it for 80,000."

Delamare's gallery is on the down-market end of the glossy, gallery-filled Avenue Matignon. Formerly in the textile business, Delamare, 36, spent three years studying the relevant laws before opening his gallery and he says that he is legally unattackable.

While his copies have brass plaques and artist's signatures giving the illusion that they are originals, the backs of the canvases clearly state that they are copies, as does a certificate given with the painting. The real fakes are slightly different in size from the originals.

With his associate, Danielle Van Santen, Delamare has a stable of 15 painters, mostly in northern Europe, who anonymously turn out his copies on order. All the copies are based on paintings in museums or private collections and are painted on the spot, which means that one of the criteria for Delamare's price tag is how far his copyist has to go. "The Musée d'Orsay is not the same as going to Minneapolis or Leningrad," he says.

The gallery's door has a buzzer like those filled with authentic wares; the chairs are fake Louis XV. In Delamare's office hang a



An original Daniel Delamare: "Paul Gauguin's 'Ouvr' (Where are you going?)".

fake Corot, Renoir, Modigliani, Manet and Gauguin. Delamare tends to refer handily to his product as "Delamares."

"I have had six or seven offers from auctioneers to put on a sale of Delamares with a catalogue and a lot of publicity," he says. "But I don't need it." The night before someone in New York had telephoned with a solid gold contract for his fakes and he turned the deal down because it was all too commercial. "I want to work with people who have the same ardor, the same passion, I have for painting."

When Delamare opened his gallery, the art world was aghast. Copying paintings, he argues, is a long and honorable tradition in which many great painters have participated. The *métier* of an expert Maurice Rheims agreed, pointing out that it was only in the mid-19th century, when art was first considered for commercial

rather than aesthetic purposes, that a pejorative distinction was made between the original and the copy.

These days, the heat is off and Delamare is often invited to discuss the art market on radio and TV. His finest hour came last summer when, in commemoration of the 150th anniversary of Sisley's birth, an entire exhibition of Delamares was shown at Moret-sur-Loing, where the painter lived, no real Sisleys being available.

Some of Delamare's clients are collectors who have asked him to copy a work they no longer dare, for security reasons, to hang.

Others come in off the street and are delighted to find that the Gauguin in the window costs only 90,000 francs. If Impressionists are most in demand, there is new interest in Klimt and Schiele, and Delamare and Van Santen are planning next to go into German Expressionism.

They have turned out a "David" and a "Delacroix" and are prepared to offer any school, going back to Flemish primitives. The one exception is Cubist and Abstract art, the great painters of this century having numerous and contentious heirs whose accord must be given before a Delamare can be made.

A Van Gogh Iris was requested shortly after the record-breaking auction and, according to Van Santen, demand echoes the blockbuster Paris art shows. "The Degas show brought in orders, so did the Gauguin," she says. "People discover the artists through those shows and also because they have been able to see so little, because of the crowds, they want to buy and study the painting at home."

Delamare says all the media attention he has received has given his operation respectability and authenticity and created a new market, so that now his operation offers distinct investment possibilities that contemporary art cannot match. He thinks this is a shame.

"But that's the way it is," he says. "If you have 50,000 francs to invest, you would do better to buy an old painting that you will be able to sell for double, than two contemporary works that have no established market."

Proud as he is of his Delamares, Delamare doesn't suggest that the *vrai faux* completely replaces the *vrai*. "If I had the means to buy a real Gauguin, I would," he generously says, "but I might not take the risk of keeping it at home." So he would put the Gauguin in the bank and a Delamare on the wall.

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## ECONOMIC SCENE

### French Savoir Faire Led EC Toward Unity Goals

By Richard Ingham  
Agence France-Press

**RUSSELS** — France's six-month presidency of the European Community, ending Dec. 31, cracked some of the most intractable problems facing the 1993 single market project and developed the Community as a new force in international politics. In many respects, diplomats said, it was a textbook study in EC politics, demonstrating the continuing health of the Franco-German alliance and the ability of a big member state to deploy economic and diplomatic clout against recalcitrant partners.

Among the key achievements was a decision at the Dec. 8-9 summit meeting in Strasbourg, France, that accelerated the movement towards economic and monetary union, the Community's most ambitious and controversial goal. Urged on by President François Mitterrand of France, the leaders of the 12 countries agreed to begin work next December on the last two stages of a three-part plan to achieve a unified economy.

**Under France's six-month presidency, the Community solved several major problems.**

The accord came only six months after the Community agreed to the first phase of the plan, proposed by a 17-member committee that was chaired by Jacques Delors of France, who is the president of the EC executive commission.

The first phase would bring the British pound, the Greek drachma and the Portuguese escudo into the exchange-rate mechanism of the European Monetary System. The system, which comprises the other EC members, limits fluctuations among their currencies.

France succeeded in overcoming the vocal opposition of Britain and the quieter reservations of some other countries, which fear loss of sovereignty to EC institutions.

**ALTHOUGH IT WILL** have to give up some of its own protectionist traditions, France achieved a number of agreements furthering the goal of economic union. Among them:

- The creation of a single banking market starting in 1993. Banks of member countries would be able to operate anywhere in the Community, and a directive on solvency was adopted to create fair conditions for competition.

- A first step towards liberalizing life insurance, a huge but highly regulated market with annual revenue of more than 150 billion European currency units (\$180.59 billion). Ministers gave preliminary approval to a directive that would allow consumers to buy policies anywhere in the Community, although national controls would prevail against nonresident brokers. The commission is to unveil proposals next year for complete liberalization, along the lines of the banking directive.

- Agreement on the broad lines for liberalizing telecommunications. Ministers agreed that value-added services and data-transmission should be progressively freed, although voice transmission and telegraph services will be allowed to remain in the hands of government monopolies.

- Partial liberalization of civil aviation and road freight. Ministers agreed in principle that at the start of 1993, governments would surrender virtually all their rights to intervene in air-ticket pricing. They also adopted a regulation allowing trucks to operate anywhere in the Community.

- Another achievement was the conclusion of a 16-year effort to give the EC Commission the exclusive right to approve large mergers crossing national borders.

The regulation, which is to take effect by September, has been eagerly awaited by businesses, frustrated at the bureaucracy and political interests in mergers that can require approval by two more national authorities.

France's tenure also had a number of failures. A spokesman for Ireland said these areas would be priorities for the Dublin

See FRANCE, Page 11

## Banking Dispute Resolved

### Rivals Get Stakes In Ambrosiano

Reuters

**MILAN** — A disputed 13 percent stake in Nuovo Banco Ambrosiano SPA will be divided equally between France's Caisse Nationale de Crédit Agricole and Italian insurer Assicurazioni Generali SPA, the Italian bank's president, Giovanni Bazzoli, said Friday.

The decision resolves a dispute analysts here saw as a test case for whether foreigners would be permitted to buy easily into Italian banks.

Following the division of the contested stake, Generali and Crédit Agricole, the world's largest non-Japanese bank, will each own 10 percent of Banco Ambrosiano Veneto, a new bank to be formed by the merger of Nuovo Banco di Venezia, Banco Ambrosiano Veneto, Italy's largest private-sector banking group, is to be formed Sunday.

In Paris, Crédit Agricole said in a statement that it would have at least 10 percent of Ambrosiano's capital, with shares purchased on the market adding to the stake it has bought from Banco Popolare di Milano.

Friday's agreement will also allow both Crédit Agricole and Generali to raise their stakes in Ambrosiano to 12 percent, a spokesman for the French bank said. He added that the cost of the initial 10 percent stake would be less than 1.3 billion francs (\$225 million).

In October, NBA's syndicate of controlling shareholders accepted an offer from Crédit Agricole for the entire 13 percent stake being sold by Banco Popolare di Milano in preference to a rival bid from Generali.

But the decision was contested by Gemina SPA, a member of the Milan bank's shareholders' syndicate, which backed Generali.

Mr. Bazzoli, speaking at a news conference in Milan, said that the controlling syndicate of shareholders in the Ambrosiano group had been revised to take account of the new, merged group.

Each of the six major shareholders — Banche Venete, San Paolo Brescia, Credito, Gemina, Crédit Agricole and Generali — will have equal share stakes.

NBA's management had favored Crédit Agricole taking a stake because it would aid in the international expansion of Ambrosiano, which has no branches abroad.

## Property Woes Hit U.S. Banks

By Nathaniel C. Nash  
New York Times Service

**WASHINGTON** — Federal regulators and banking analysts say they are increasingly concerned that mounting losses from troubled real estate loans could lead to a series of bank failures in the United States, straining the federal insurance program that protects depositors' funds.

The regulators and analysts worry that in a severe economic downturn, which most economists say is inevitable, the losses at commercial banks might be so large as to overwhelm the deposit insurance fund.

That would force the government to choose between raising insurance fees on the banking industry or rescuing some banks with taxpayer money.

The banks' real estate problems come on top of other troubled loans, including losses on lending to developing countries and other high-risk borrowers.

Regulators are increasingly concerned by the danger posed to the safety net of federal deposit insurance if the softness in real estate persists.

L. William Seidman, chairman of the Federal Deposit Insurance Corp., has issued stern warnings to bankers that real estate is "an emerging area of real concern."

"I've been the Cassandra of real estate forecasting for some time now," Mr. Seidman told bankers meeting in New York earlier this month. "Unfortunately, events confirmed this view."

The FDIC insures individual deposits up to \$100,000 at commercial banks and is considered the front line of the federal safety net.

Mr. Seidman and other experts said that in the last five years, commercial banks have become alarmingly dependent on real estate loans.

Such lending accounted for 25 percent of total loans in 1985 and is approaching 40 percent this year. In addition, two-thirds of all new lending is now related to real estate.

They note that with \$3.22 trillion in assets, the commercial banking system is three times as large as the savings and loan industry.

Unlike savings and loan institutions, which concentrate mainly on real estate lending, banks have traditionally had much more diversified portfolios, lending to businesses and making personal loans as well as mortgages.

The size of the banking sector means that even a limited number of bank failures could be a drain on the deposit insurance fund.

The weakness of some commercial banks with large real estate loans has been compared to the savings and loan crisis, but the industries are quite different.

No one predicts that the entire banking industry will suffer the depth of trouble that shook the savings industry in Texas, and the

### Potential Problems for Banks

Figures for the third quarter of 1989.

Delinquent loans	Heavy investment in Real Estate
Percentages of bank real estate loans that were 90 days or more delinquent for the worst states.	Percentage of real estate loans in banks' portfolios, for states with the highest levels.
Arizona 12.3%	Vermont 60.4%
Texas 10.5%	Maine 54.1%
Alaska 10.4%	Connecticut 53.9%
6.1% Oklahoma	Florida 53.8%
5.8% Louisiana	West Virginia 50.4%
4.8% Massachusetts	New Jersey 49.1%
4.2% New Mexico	New Hampshire 48.1%
3.9% Connecticut	
3.8% New York	
3.7% New Hampshire	

Source: Federal Deposit Insurance Corp.

experts do not expect a comparable regulatory failure.

Bank regulators have a much better record than their savings and loan counterparts in detecting and limiting problems.

Still, to combat the problem, regulators are getting together with banks in forcing them to set aside reserves for questionable loans.

For their part, many bankers are also worried by the impact of bad

**I've been the Cassandra of real estate forecasting for some time now, and unfortunately events confirmed this view.**

L. William Seidman, chairman of the Federal Deposit Insurance Corp.

real estate loans, but most say the problem can be limited.

"It's pretty damn bad, and I hear the regulators are being extraordinarily tough," said Malcolm J. Murray Jr., chief credit officer for First Union Corp. in Charlotte, North Carolina.

But Mr. Murray said he does not expect any big bank failures. "There may be some hasty marriages," he said. "But I am not sure the picture is quite as bleak as it has been painted."

Charles T. Doyle, chief executive of Gulf National Bank in Texas City, Texas, added, "I am not overly gloomy. It is not anywhere near the kind of problem we were faced with in Texas."

Some regulators, among them Robert L. Clarke, the comptroller of the currency, are taking a somewhat reassuring tone, announcing new computer monitoring procedures and systems aimed at detecting problems much earlier at banks exposed to real estate losses.

Yet besides Mr. Seidman, some of the most respected members of Congress on banking matters are also deeply concerned.

"You have a financial system that is at risk, and it is extremely serious," said Representative Jim Leach, Republican of Iowa. He said he was concerned some large banks would fail in the next few years.

Robert E. Litan, a senior fellow and banking specialist at the Brookings Institution in Washington, said two things were needed "to turn the banking problem into one of the magnitude of the thrifts."

In his view, "you need a moderate-to-significant recession and a reluctance by Congress to put new money into the FDIC and allow a lot of insolvent institutions to stay open."

At this point, the FDIC can easily absorb losses from small bank failures. But the failure of only a few large banks could cost the fund dearly.

If the insurance fund, which now has about \$14 billion, is run down, pressures would build first on the banks to pay higher insurance premiums and later on Congress to vote more money for the fund — money that, as in the savings bailout, would have to come from taxpayers.

Indeed, some analysts have wondered if Mr. Seidman's statements are an effort to prepare the industry for what he sees as the inevitable increases in deposit insurance premiums that his agency can implement.

See BANKS, Page 11

## Bond Units Put In Receivership, Menacing Firm With Collapse

Compiled by Our Staff From Dispatches

**SYDNEY** — Alan Bond's Australian brewing interests were placed in receivership Friday, and a top Bond executive said the move could finally trigger the widely predicted collapse of the entire corporate empire.

The move, made at the request of National Australia Bank, came despite last-ditch efforts by Bond Corp. Holdings to sell the brewing interests to its subsidiary, Bell Resources Ltd.

Mr. Bond was at sea in a yacht race when an Australian court made the decision. "We had absolutely no idea until after we crossed the finish line," said Peter Gilmore, the skipper of Mr. Bond's yacht, Drumbeat. "Alan was devastated. I can tell you that for sure."

Clearly surprised and upset, Mr. Bond's elation about winning the race was tempered with concern for his company. "I think yachting is one thing and business is another," he said.

Asked whether he planned immediately to leave Hobart, where the race ended, Mr. Bond replied, "I'm not sure of my plans at all. I am going to try to have a shower."

National Australia, acting for a syndicate of creditor banks, said in a statement that the Supreme Court of Victoria had appointed David Crawford and C.A. Fear, of Peat Marwick Hungerfords, as receivers for the assets.

They will manage Bond Brewing Holdings Ltd., Bond Brewing Investments Ltd., The Swan Brewery Co., Castlemaine Perkins Ltd., Toobays Ltd. and BBH Securities Pty., the bank said. All are wholly-owned subsidiaries of Bond Corp.

Peter Lucas, executive director of public and investor relations for Bond Corp., said the National Australia move was "absolutely staggering."

"In theory it could trigger the repayment of every other facility we have," he said. "It could bring Bond down."

G.K. Baker, Bond Corp.'s secretary, said in a statement that the group would do everything in its power to have the receivership rescinded.

"In light of the strong financial condition of the breweries there is absolutely no foundation for the allegation that a serious deterioration in the business has put the

lenders at risk," the statement said. Mr. Bond's once high-flying brewing, media, property and resources group has been battling with massive debts which it put last month at 6.9 billion Australian dollars (\$5.5 billion).

The National Australia-led banking syndicate was owed a total of 880 million dollars by the breweries and was reported to be angry over several breaches of the loan covenants in recent months.

Haydn Park, a spokesman for the bank, would not spell out why the bank sought a receiver, but said the syndicate hoped for an early resolution of the debt problem.

The appointment of a receiver came just hours after Bond Corp. announced that it would sell its Australian breweries to its 58 percent-owned subsidiary Bell Resources for two billion dollars.

The transaction was seen as another effort to sidestep receivership, but it ran into immediate trouble from Lion Nathan Ltd., a brewer based in New Zealand, which had negotiated to acquire half of Mr. Bond's Australian brewing holdings.

Lion Nathan promptly said that it remained committed to a prior arrangement with Bond Corp. to enter into a 2.5 billion dollar brewing joint venture with Bell Resources.

Bond Corp. said the two billion dollar purchase price included the assumption of 740 million dollars in senior bank debt and the transfer of certain Bond Corp. assets to cancel a controversial 1.2 billion dollar deposit that Bell Resources paid to Bond Corp. earlier this year.

Before the announcement, Bell Resources told the stock exchange it had planned to meet with the creditor syndicate led by National Australia, and including the State Bank of New South Wales and Standard Chartered Bank PLC.

It said Bell Resources sought to discuss ways in which it could "cooperate with those creditors to enable their interests to be protected while Bell Resources proceeds with its acquisition."

After the receivership announcement, the stock exchange suspended trading in Bond Corp. and Bell Resources. Bond Corp. shares closed unchanged Friday at 13.

(AFP, Reuters)

## CURRENCY RATES

Cross Rates	Dec. 29	Dec. 29	Dec. 29	Dec. 29	Dec. 29	Dec. 29	Dec. 29	Dec. 29	Dec. 29
Australian dollar	1.365	1.365	1.365	1.365	1.365	1.365	1.365	1.365	1.365
British pound	1.650	1.650	1.650	1.650	1.650	1.650	1.650	1.650	1.650
Canadian dollar	0.750	0.750	0.750	0.750	0.750	0.750	0.750	0.750	0.750
Deutsche mark	1.365	1.365	1.365	1.365	1.365	1.365	1.365	1.365	1.365
French franc	6.550	6.550	6.550	6.550	6.550	6.550	6.550	6.550	6.550
Italian lira	1.365	1.365	1.365	1.365	1.365	1.365	1.365	1.365	1.365
Japanese yen	163.00	163.00	163.00	163.00	163.00	163.00	163.00	163.00	163.00
Swiss franc	1.365	1.365	1.365	1.365	1.365	1.365	1.365	1.365	1.365
U.S. dollar	0.750	0.750	0.750	0.750	0.750	0.750	0.750	0.750	0.750

Source: Reuters. Bank of Tokyo (Tokyo); IMF (SDR); Gosbank (Moscow). Other data from Reuters and AP.

## INTEREST RATES

Eurocurrency Deposits	Dec. 29	Dec. 29	Dec. 29	Dec. 29	Dec. 29	Dec. 29	Dec. 29	Dec. 29	Dec. 29
1 month	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
3 months	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
6 months	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
1 year	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%

Source: All Reuters except ECU: Lloyd's Bank. Rates applicable to interbank deposits of \$1 million minimum (for each bank).

Key Money Rates	Dec. 29	Dec. 29	Dec. 29	Dec. 29	Dec. 29	Dec. 29	Dec. 29	Dec. 29	Dec. 29
U.S. Treasury	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%
London rate	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%
3-month Treasury bill	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%
3-month Treasury note	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%

Asian Dollar Deposits	Dec. 29	Dec. 29	Dec. 29	Dec. 29	Dec. 29	Dec. 29	Dec. 29	Dec. 29	Dec. 29
1 month	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
3 months	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
6 months	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
1 year	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%

U.S. Money Market Funds	Dec. 29	Dec. 29	Dec. 29	Dec. 29	Dec. 29	Dec. 29	Dec. 29	Dec. 29	Dec. 29
1 month	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
3 months	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
6 months	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
1 year	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%

GOLD	Dec. 29	Dec. 29	Dec. 29	Dec. 29	Dec. 29	Dec. 29	Dec. 29	Dec. 29	Dec. 29
1 month	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
3 months	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
6 months	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
1 year	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%

Key Money Rates	Dec. 29	Dec. 29	Dec. 29	Dec. 29	Dec. 29	Dec. 29	Dec. 29	Dec. 29	Dec. 29
U.S. Treasury	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%
London rate	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%
3-month Treasury bill	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%
3-month Treasury note	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%

Asian Dollar Deposits	Dec. 29	Dec. 29	Dec. 29	Dec. 29	Dec. 29	Dec. 29	Dec. 29	Dec. 29	Dec. 29
1 month	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
3 months	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
6 months	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
1 year	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%

U.S. Money Market Funds	Dec. 29	Dec. 29	Dec. 29	Dec. 29	Dec. 29	Dec. 29	Dec. 29	Dec. 29	Dec. 29
1 month	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
3 months	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
6 months	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
1 year	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%

GOLD	Dec. 29	Dec. 29	Dec. 29	Dec. 29	Dec. 29	Dec. 29	Dec. 29	Dec. 29	Dec. 29
1 month	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
3 months	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
6 months	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
1 year	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%







## High-Flyer Sock Shop Closes 17 U.S. Stores

LONDON — Sock Shop International PLC, the high-flying British retailer that mainly sells socks, said Friday it has temporarily closed its 17 U.S. stores and is negotiating with a prospective partner.

Peter Moss, a company director, declined to identify the possible partner.

Fourteen of the shops in New York City, two in New Jersey and one in Philadelphia were abruptly closed on Wednesday after the employees had been summoned to an emergency meeting at the Warwick Hotel in New York.

Negotiations are taking place with the landlords about new leases with lower rents.

Asked when the stores would be reopened, Mr. Moss said: "Hopefully, if negotiations proceed well there will be a further announcement in the next week or two."

Mr. Moss said Sock Shop's sales have suffered in the United States.

"It's been a disappointing trading period," he said. "I can't put any figure on it at this point."

Sock Shop also operates 105 stores in Britain and 15 in continental Europe.

"In the other stores, we're doing very well. We had an excellent pre-Christmas period both in England and in France and sales this week in the sales period are also very good," Mr. Moss said.

Founded in Britain in 1983 by Sophie Mimman, then 27 years old, Sock Shop expanded to 51 stores by 1987 and to 136 this year, with 103 in Britain. It entered the U.S. market in 1987.

The shops are tiny, averaging 420 square feet, and sell a range of hosiery, from women's tights to argyle socks for men, mostly in brands created by the company.

In its 1988 fiscal year, the concern had sales of \$45 million.

(NYT, AP)

## 2 Surprises in West European Trade

### U.K. Aided by High Rates

Compiled by Our Staff From Dispatches

LONDON — Britain's current account deficit narrowed to £1.42 billion (\$2.29 billion) in November, the government said Friday, as a slowdown in imports eased pressure for further increases in interest rates.

The deficit was smaller than the approximately £1.5 billion analysts had been expecting, and the news steadied the pound on currency markets even though it reduced chances for a rate rise. On Thursday, the pound hit a record low 2.7215 Deutsche marks. On Friday, it recovered to 2.7280 DM.

Stocks also rallied. The Financial Times 100-stock index rose 23.9 points to 2,422.7.

The better performance in November was offset by revised figures that showed the current account deficit in October was £1.73 billion instead of the previously announced £1.54 billion.

The Central Statistical Office also issued revised data for July showing Britain had a record current account deficit that month of £2.49 billion, up from the £2.06 billion reported earlier and wider than the previous record, £2.33 billion in October 1988.

Britain's current account deficit

for the first 11 months of 1989 was a record £19.3 billion.

Treasury officials were buoyed by the fourth successive monthly narrowing of the deficit and described the trend as encouraging.

Signs of a worsening in the trade gap might have forced the chancellor of the Exchequer, John Major, to push bank base interest rates from an already-high 15 percent to stem a flight from the pound and discourage consumer spending, analysts said. British inflation is running at an annual rate of 7.7 percent.

The merchandise trade deficit for November narrowed to £1.52 billion from £1.83 billion in October. Analysts had been looking for a shortfall of £1.9 billion in the merchandise category.

Imports fell to £9.64 billion from £9.90 billion, while exports rose to £8.13 billion from £8.07 billion.

Ian Harwood, senior economist at S.G. Warburg & Co., said the decline in imports was perhaps the major feature of the figures. "Imports are off the boil and the odds are people are destocking," he said. "Exports are still growing quite well and will continue to do so."

Investment items, such as services, posted a £100 million surplus, the same as October.

(Reuters, AP)

### Imports Widen French Gap

Compiled by Our Staff From Dispatches

PARIS — Increased imports of capital goods such as machine tools led France to a larger-than-expected 8.68 billion franc (\$1.51 billion) trade deficit in October, the government said Friday.

Economists had been expecting an adjusted October shortfall of only about 4.2 billion francs. In September, the country had a surplus of 1.95 billion francs.

Nonetheless, the financial markets showed little reaction. On the Paris Bourse, the CAC-40 rose 2.25 points to 2,001.08. The franc rose to 5.7815 from 5.7768.

The figures brought the trade gap for the first 10 months of the year to 40.81 billion francs.

Steven Bell of Morgan Grenfell & Co. in London said reduced imports by Britain was one reason for the French problems.

"One of the major French export markets, the U.K., is declining. If other markets decline, too, they're in trouble," he said.

But Michel Develle, chief economist at Banque Paribas, said the deficit stemmed mainly from the import of capital goods.

"If we had a deficit going up to 50 billion based only on household consumption, that would be worrying," he said.

"But importing machine tools from Japan or West Germany does not have the same significance as importing televisions or videos."

Industrial and military goods together showed a deficit of 9.56 billion francs, a sharp turnaround from the surplus of 865 million recorded in September. The surplus on military hardware alone slumped to 1.37 billion from 3.87 billion in September.

Economists pointed to the erratic recording of Airbus exports as a factor behind the monthly fluctuations in the French trade figures.

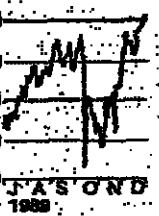
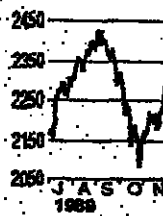
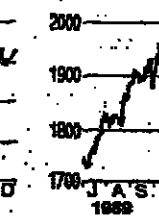
The assembly plant for the four-nation consortium is in Toulouse. Airbus sales added 2.80 billion francs to export totals in September, but only 1.61 billion in October.

On a seasonally adjusted basis, France's trade gap with its leading industrial partners widened. The deficit with West Germany was 5.04 billion francs, following a gap of 4.46 billion in September.

The gap with the United States expanded sharply, widening to 3.12 billion francs in October after a deficit of \$23 million francs in September.

The deficit with Japan was 2.34 billion francs, wider than the 2.09 billion in September.

### Investor's Europe

Frankfurt Commerzbank	London F.T. 100 Index	Paris C.A.C. 40		
				
J A S O N D 1989	J A S O N D 1989	J A S O N D 1989		
Exchange	Index	Friday's Close	Prev. Close	% Change
Amsterdam	CBS General	185.80	185.00	+0.43
Brussels	Stock Index	Closed	6476.39	Closed
Frankfurt	Commerzbank	Closed	2190.20	
Frankfurt	DAX	Closed	1790.37	
Helsinki	UNITAS	609.00	615.40	-1.04
London	Financial Times 30	1916.60	1896.20	+1.08
London	FT-SE 100	2422.70	2388.80	+1.00
Madrid	General Index	296.80	296.93	-0.04
Milan	MIB	1158	1159	-0.09
Paris	CAC 40	2001.08	1998.83	+0.11
Stockholm	Affärsvaerden	1192.00	1188.40	+0.22
Zurich	SBS	Closed	661.10	

Sources: Datastream, AFP

### ADVERTISEMENT

#### NEC CORPORATION (CDRs)

The undersigned announces that as from January 9th, 1990 at Kas Associates N.V., Suite 172, Amsterdam, div. op. no. 35 (acquired by an "Affiliate") of the CDRs NEC Corporation will be payable with Dfls. 9.95 net per CDR, repr. 200 shs. and with Dfls. 49.75 net per CDR, repr. 1,000 shs. (div. per record-30.09.89 gross Yen 4.50 p.sh.) Yen 180. = Dfls. 1.83 per CDR, repr. 200 shs. Yen 675. = Dfls. 9.15 per CDR, repr. 1,000 shs. Without an Affidavit 20% Japan tax = Yen 450. = Dfls. 4.50 per CDR, repr. 500 shs. Yen 900. = Dfls. 12.32 per CDR, repr. 1,000 shs. will be deducted. After 30.04.90 the div. will only be paid under deduction of 20% Japan tax with rep. Dfls. 9.24 per CDR, repr. 200 shs. and 1,000 shs. each, in accordance with the Japanese tax regulations.

AMSTERDAM DEPOSITORY COMPANY N.V.  
Amsterdam, December 27th, 1989

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AMSTERDAM DEPOSITORY COMPANY N.V.  
Amsterdam, 27-Dec-89.

## BANKS: Growing Property Woes

(Continued from first finance page)

pose under the savings and loan bailout bill.

"It is conceivable that even a moderate deterioration could have debilitating effects on the FDIC," said R. Dan Brumbaugh, a financial consultant in San Francisco.

"Our banking system has a greater degree of fragility than in the past."

What is troubling many experts, including Mr. Clarke, the comptroller, is the growing dependence on real estate lending over the last half decade.

In the Northeast, the leader in new real estate lending, numerous loans went to developers of condominiums and apartment buildings — financing that is always larger and riskier than single-family mortgages — and were issued by large regional banks.

Until recently, the big regional banks were considered the new wave of banking, replacing the huge international banks, like Chase Manhattan Bank, Citibank and Manufacturers Hanover Trust Co., as the industry's fast-growing innovators.

The seriousness of the problem in the Northeast seems to have taken even some of the top officers of the region's banks by surprise.

Senior executives at the Bank of New England, for example, were

buying stock in the big Boston-based bank, with assets of \$31 billion, only weeks before it said it would have to set aside \$700 million against possible losses on its real estate loans.

Then last week, only days after the Bank of New England report, three other big Northeast banking institutions — Dime Savings Bank of New York; Midland Corp., the second-largest banking concern in New Jersey; and Citicorp Bancorp. of Bridgeport, Connecticut — said they would create unexpectedly large loan-loss reserves.

The softening in real estate, and the impact on banks, appear to be reaching beyond the Northeast, however.

Mr. Clarke has said that his office sees growing weakness in parts of the booming Florida market. Arizona real estate, particularly in Phoenix and Tucson, has plummeted this year. And some experts see the West Coast as vulnerable soon.

The potential for trouble in the banking industry as a whole is compounded by several factors.

One is the savings and loan bailout. The bailout will mean that more than \$100 billion of troubled real estate assets will have to be sold, further depressing housing prices.

## Amex Sale of Swiss Unit May be Tied to Shearson

Compiled by Our Staff From Dispatches

GENEVA — American Express Co.'s surprise move to sell its Swiss private banking unit is apparently designed to raise cash for its Shearson Lehman Hutton Inc. brokerage subsidiary to help the unit avoid a debt downgrade, Swiss banking sources said Friday.

American Express said Thursday that it was selling the Swiss unit, TDB American Express Bank, to Compagnie de Banque & d'Investissements for \$1 billion.

Eight weeks ago, Moody's Investors Service put Shearson under review for a possible downgrading of its debt and commercial paper. Shearson has experienced poor earnings in recent years and is carrying a large amount of goodwill on its balance sheet because of its acquisition of E.F. Hutton Co. in 1988. As a result, it has little tangible net worth and has been under pressure to raise capital.

American Express recently announced a five-point plan to both infuse Shearson with new capital and to reduce its stake in the barely profitable brokerage from 61 percent to below 50 percent.

The plan is part of an effort by American Express to distance itself from Shearson to protect its earnings from the ups and downs of the securities business.

As part of the plan, Shearson is to issue 20 million new common shares, of which American Express will buy three million. American Express will also buy an issue of Shearson cumulative preferred stock with a liquidation value of \$250 million.

It was unclear whether the sale of TDB was directly related to the Shearson recapitalization plan.

While American Express is expected to make only a small profit on the sale of TDB, the move is expected to free up capital that can be devoted to the company's other businesses.

American Express executives said the agreement to sell the Geneva operation stemmed from a decision last summer to abandon those businesses that it could not dominate.

(Reuters, NYT)

## COMECON: East Bloc Group to Hold Meeting as Disintegration Looms

(Continued from first finance page)

of political negotiating thrown in, on a five-year rolling average of prices for comparable items in the West.

Government officials typically negotiate bilateral trade agreements for hundreds of items. Industry executives say they do not know the value of what they are receiving in exchange for their exports.

This, they say, distorts their business and any notion of economic efficiency, because they have no idea whether they are making a profit or a loss on the transaction.

Moscow has used Comecon to cement the bloc, seeking to foster dependence and loyalty by providing assistance, often in the form of inexpensive oil and natural gas.

In exchange, Eastern European nations skewed their economies so that they focused on exports to the Soviet Union to pay for those raw materials.

Czechoslovakia specialized in machinery, for example, while Hungary made buses and shoes, and the Eastern bloc countries fell farther and farther behind on cru-

cial technologies like telecommunications and computers.

But the disarray in the Soviet economy, brought about in part by the decline in oil prices in recent years, has created a crisis for East European exporters who rely on the Soviet market.

That is one reason why many Eastern European countries are straining to sell more to the West.

Poland, East Germany and Hun-

gary have huge hard-currency debts and are eager to sell goods to hard-currency countries to help repay those debts.

In addition, many government officials are pressing companies to sell more to the West in the hope of upgrading efficiency, quality and product development.

When Hungary sells more goods to the Soviet Union than it imports it receives "transfer rubles" in re-

turn. But Hungary cannot use these rubles, which are merely a Comecon accounting unit, to buy from Poland or machinery from Czechoslovakia.

"The transfer ruble is everything but transferable," said Mr. Kovacs, the Hungarian economist.

Many economists say that in a few years trade could pick up in Eastern Europe, irrespective of what happens to Comecon.

## FRANCE: EC Makes Progress Toward Unity Goals

(Continued from first finance page)

government over the next six months, when it takes over the presidency.

Among them: proposals for preventing cross-border tax fraud when capital movements are free; narrowing national differences in value-added tax and excise duties; and allowing citizens to cross borders unhindered.

In fact, France itself balked at signing an agreement with West Germany, the Netherlands, Bel-

gium and Luxembourg, that was scheduled to introduce passport-free travel among the five countries on Jan. 1. The accord was seen by the commission as a model for its own proposals. But critics, led by Britain, have maintained that frontier checks are essential to fight terrorism, drug smuggling and illegal immigration.

But France was also decisive in shaping an EC foreign policy for Eastern Europe at a time when the Community — by its instincts and

institutions an economic rather than political alliance — faced upheaval among its neighbors and the challenge of German reunification.

Strasbourg was a triumph for

"The Community needed a Mitterrand at this point," a diplomat commented, contrasting the French president's romantic approach, as the historic events in eastern Europe unfolded, with the pragmatism of Prime Minister Margaret Thatcher of Britain.

## NYSE

Friday's Closing  
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

(Continued)

12 Month	Div	Yld	PE	52	52	Low	High	1/4	1/2	3/4	1	1 1/2	2	2 1/2	3	3 1/2	4	4 1/2	5	5 1/2	6	6 1/2	7	7 1/2	8	8 1/2	9	9 1/2	10	10 1/2	11	11 1/2	12	12 1/2	13	13 1/2	14	14 1/2	15	15 1/2	16	16 1/2	17	17 1/2	18	18 1/2	19	19 1/2	20	20 1/2	21	21 1/2	22	22 1/2	23	23 1/2	24	24 1/2	25	25 1/2	26	26 1/2	27	27 1/2	28	28 1/2	29	29 1/2	30	30 1/2	31	31 1/2	32	32 1/2	33	33 1/2	34	34 1/2	35	35 1/2	36	36 1/2	37	37 1/2	38	38 1/2	39	39 1/2	40	40 1/2	41	41 1/2	42	42 1/2	43	43 1/2	44	44 1/2	45	45 1/2	46	46 1/2	47	47 1/2	48	48 1/2	49	49 1/2	50	50 1/2	51	51 1/2	52	52 1/2	53	53 1/2	54	54 1/2	55	55 1/2	56	56 1/2	57	57 1/2	58	58 1/2	59	59 1/2	60	60 1/2	61	61 1/2	62	62 1/2	63	63 1/2	64	64 1/2	65	65 1/2	66	66 1/2	67	67 1/2	68	68 1/2	69	69 1/2	70	70 1/2	71	71 1/2	72	72 1/2	73	73 1/2	74	74 1/2	75	75 1/2	76	76 1/2	77	77 1/2	78	78 1/2	79	79 1/2	80	80 1/2	81	81 1/2	82	82 1/2	83	83 1/2	84	84 1/2	85	85 1/2	86	86 1/2	87	87 1/2	88	88 1/2	89	89 1/2	90	90 1/2	91	91 1/2	92	92 1/2	93	93 1/2	94	94 1/2	95	95 1/2	96	96 1/2	97	97 1/2	98	98 1/2	99	99 1/2	100	100 1/2	101	101 1/2	102	102 1/2	103	103 1/2	104	104 1/2	105	105 1/2	106	106 1/2	107	107 1/2	108	108 1/2	109	109 1/2	110	110 1/2	111	111 1/2	112	112 1/2	113	113 1/2	114	114 1/2	115	115 1/2	116	116 1/2	117	117 1/2	118	118 1/2	119	119 1/2	120	120 1/2	121	121 1/2	122	122 1/2	123	123 1/2	124	124 1/2	125	125 1/2	126	126 1/2	127	127 1/2	128	128 1/2	129	129 1/2	130	130 1/2	131	131 1/2	132	132 1/2	133	133 1/2	134	134 1/2	135	135 1/2	136	136 1/2	137	137 1/2	138	138 1/2	139	139 1/2	140	140 1/2	141	141 1/2	142	142 1/2	143	143 1/2	144	144 1/2	145	145 1/2	146	146 1/2	147	147 1/2	148	148 1/2	149	149 1/2	150	150 1/2	151	151 1/2	152	152 1/2	153	153 1/2	154	154 1/2	155	155 1/2	156	156 1/2	157	157 1/2	158	158 1/2	159	159 1/2	160	160 1/2	161	161 1/2	162	162 1/2	163	163 1/2	164	164 1/2	165	165 1/2	166	166 1/2	167	167 1/2	168
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# NASDAQ

**Friday's Prices**  
NASDAQ prices as of 4 p.m. New York time.  
This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

12 High Low Stock Div Yld PE 50 High Low Stock Div Yld PE

12	High	Low	Stock	Div	Yld	PE	50	High	Low	Stock	Div	Yld	PE
1	12.00	11.75	ABN BANK 1.00B P.O. Box 449, Amsterdam					12.00	11.75	ABN BANK 1.00B P.O. Box 449, Amsterdam			
2	11.75	11.50	ABN-Bank Nederland, N.V.					11.75	11.50	ABN-Bank Nederland, N.V.			
3	11.50	11.25	Alcatel					11.50	11.25	Alcatel			
4	11.25	11.00	Alcatel (1.1B)					11.25	11.00	Alcatel (1.1B)			
5	11.00	10.75	Alcatel (1.1B)					11.00	10.75	Alcatel (1.1B)			
6	10.75	10.50	Alcatel (1.1B)					10.75	10.50	Alcatel (1.1B)			
7	10.50	10.25	Alcatel (1.1B)					10.50	10.25	Alcatel (1.1B)			
8	10.25	10.00	Alcatel (1.1B)					10.25	10.00	Alcatel (1.1B)			
9	10.00	9.75	Alcatel (1.1B)					10.00	9.75	Alcatel (1.1B)			
10	9.75	9.50	Alcatel (1.1B)					9.75	9.50	Alcatel (1.1B)			
11	9.50	9.25	Alcatel (1.1B)					9.50	9.25	Alcatel (1.1B)			
12	9.25	9.00	Alcatel (1.1B)					9.25	9.00	Alcatel (1.1B)			
13	9.00	8.75	Alcatel (1.1B)					9.00	8.75	Alcatel (1.1B)			
14	8.75	8.50	Alcatel (1.1B)					8.75	8.50	Alcatel (1.1B)			
15	8.50	8.25	Alcatel (1.1B)					8.50	8.25	Alcatel (1.1B)			
16	8.25	8.00	Alcatel (1.1B)					8.25	8.00	Alcatel (1.1B)			
17	8.00	7.75	Alcatel (1.1B)					8.00	7.75	Alcatel (1.1B)			
18	7.75	7.50	Alcatel (1.1B)					7.75	7.50	Alcatel (1.1B)			
19	7.50	7.25	Alcatel (1.1B)					7.50	7.25	Alcatel (1.1B)			
20	7.25	7.00	Alcatel (1.1B)					7.25	7.00	Alcatel (1.1B)			
21	7.00	6.75	Alcatel (1.1B)					7.00	6.75	Alcatel (1.1B)			
22	6.75	6.50	Alcatel (1.1B)					6.75	6.50	Alcatel (1.1B)			
23	6.50	6.25	Alcatel (1.1B)					6.50	6.25	Alcatel (1.1B)			
24	6.25	6.00	Alcatel (1.1B)					6.25	6.00	Alcatel (1.1B)			
25	6.00	5.75	Alcatel (1.1B)					6.00	5.75	Alcatel (1.1B)			
26	5.75	5.50	Alcatel (1.1B)					5.75	5.50	Alcatel (1.1B)			
27	5.50	5.25	Alcatel (1.1B)					5.50	5.25	Alcatel (1.1B)			
28	5.25	5.00	Alcatel (1.1B)					5.25	5.00	Alcatel (1.1B)			
29	5.00	4.75	Alcatel (1.1B)					5.00	4.75	Alcatel (1.1B)			
30	4.75	4.50	Alcatel (1.1B)					4.75	4.50	Alcatel (1.1B)			
31	4.50	4.25	Alcatel (1.1B)					4.50	4.25	Alcatel (1.1B)			
32	4.25	4.00	Alcatel (1.1B)					4.25	4.00	Alcatel (1.1B)			
33	4.00	3.75	Alcatel (1.1B)					4.00	3.75	Alcatel (1.1B)			
34	3.75	3.50	Alcatel (1.1B)					3.75	3.50	Alcatel (1.1B)			
35	3.50	3.25	Alcatel (1.1B)					3.50	3.25	Alcatel (1.1B)			
36	3.25	3.00	Alcatel (1.1B)					3.25	3.00	Alcatel (1.1B)			
37	3.00	2.75	Alcatel (1.1B)					3.00	2.75	Alcatel (1.1B)			
38	2.75	2.50	Alcatel (1.1B)					2.75	2.50	Alcatel (1.1B)			
39	2.50	2.25	Alcatel (1.1B)					2.50	2.25	Alcatel (1.1B)			
40	2.25	2.00	Alcatel (1.1B)					2.25	2.00	Alcatel (1.1B)			
41	2.00	1.75	Alcatel (1.1B)					2.00	1.75	Alcatel (1.1B)			
42	1.75	1.50	Alcatel (1.1B)					1.75	1.50	Alcatel (1.1B)			
43	1.50	1.25	Alcatel (1.1B)					1.50	1.25	Alcatel (1.1B)			
44	1.25	1.00	Alcatel (1.1B)					1.25	1.00	Alcatel (1.1B)			
45	1.00	0.75	Alcatel (1.1B)					1.00	0.75	Alcatel (1.1B)			
46	0.75	0.50	Alcatel (1.1B)					0.75	0.50	Alcatel (1.1B)			
47	0.50	0.25	Alcatel (1.1B)					0.50	0.25	Alcatel (1.1B)			
48	0.25	0.00	Alcatel (1.1B)					0.25	0.00	Alcatel (1.1B)			
49	0.00	0.00	Alcatel (1.1B)					0.00	0.00	Alcatel (1.1B)			
50	0.00	0.00	Alcatel (1.1B)					0.00	0.00	Alcatel (1.1B)			

12	High	Low	Stock	Div	Yld	PE	50	High	Low	Stock	Div	Yld	PE
51	11.75	11.50	Alcatel (1.1B)					11.75	11.50	Alcatel (1.1B)			
52	11.50	11.25	Alcatel (1.1B)					11.50	11.25	Alcatel (1.1B)			
53	11.25	11.00	Alcatel (1.1B)					11.25	11.00	Alcatel (1.1B)			
54	11.00	10.75	Alcatel (1.1B)					11.00	10.75	Alcatel (1.1B)			
55	10.75	10.50	Alcatel (1.1B)					10.75	10.50	Alcatel (1.1B)			
56	10.50	10.25	Alcatel (1.1B)					10.50	10.25	Alcatel (1.1B)			
57	10.25	10.00	Alcatel (1.1B)					10.25	10.00	Alcatel (1.1B)			
58	10.00	9.75	Alcatel (1.1B)					10.00	9.75	Alcatel (1.1B)			
59	9.75	9.50	Alcatel (1.1B)					9.75	9.50	Alcatel (1.1B)			
60	9.50	9.25	Alcatel (1.1B)					9.50	9.25	Alcatel (1.1B)			
61	9.25	9.00	Alcatel (1.1B)					9.25	9.00	Alcatel (1.1B)			
62	9.00	8.75	Alcatel (1.1B)					9.00	8.75	Alcatel (1.1B)			
63	8.75	8.50	Alcatel (1.1B)					8.75	8.50	Alcatel (1.1B)			
64	8.50	8.25	Alcatel (1.1B)					8.50	8.25	Alcatel (1.1B)			
65	8.25	8.00	Alcatel (1.1B)					8.25	8.00	Alcatel (1.1B)			
66	8.00	7.75	Alcatel (1.1B)					8.00	7.75	Alcatel (1.1B)			
67	7.75	7.50	Alcatel (1.1B)					7.75	7.50	Alcatel (1.1B)			
68	7.50	7.25	Alcatel (1.1B)					7.50	7.25	Alcatel (1.1B)			
69	7.25	7.00	Alcatel (1.1B)					7.25	7.00	Alcatel (1.1B)			
70	7.00	6.75	Alcatel (1.1B)					7.00	6.75	Alcatel (1.1B)			
71	6.75	6.50	Alcatel (1.1B)					6.75	6.50	Alcatel (1.1B)			
72	6.50	6.25	Alcatel (1.1B)					6.50	6.25	Alcatel (1.1B)			
73	6.25	6.00	Alcatel (1.1B)					6.25	6.00	Alcatel (1.1B)			
74	6.00	5.75	Alcatel (1.1B)					6.00	5.75	Alcatel (1.1B)			
75	5.75	5.50	Alcatel (1.1B)					5.75	5.50	Alcatel (1.1B)			
76	5.50	5.25	Alcatel (1.1B)					5.50	5.25	Alcatel (1.1B)			
77	5.25	5.00	Alcatel (1.1B)					5.25	5.00	Alcatel (1.1B)			
78	5.00	4.75	Alcatel (1.1B)					5.00	4.75	Alcatel (1.1B)			
79	4.75	4.50	Alcatel (1.1B)					4.75	4.50	Alcatel (1.1B)			
80	4.50	4.25	Alcatel (1.1B)					4.50	4.25	Alcatel (1.1B)			
81	4.25	4.00	Alcatel (1.1B)					4.25	4.00	Alcatel (1.1B)			
82	4.00	3.75	Alcatel (1.1B)					4.00	3.75	Alcatel (1.1B)			
83	3.75	3.50	Alcatel (1.1B)					3.75	3.50	Alcatel (1.1B)			
84	3.50	3.25	Alcatel (1.1B)					3.50	3.25	Alcatel (1.1B)			
85	3.25	3.00	Alcatel (1.1B)					3.25	3.00	Alcatel (1.1B)			
86	3.00	2.75	Alcatel (1.1B)					3.00	2.75	Alcatel (1.1B)			
87	2.75	2.50	Alcatel (1.1B)					2.75	2.50	Alcatel (1.1B)			
88	2.50	2.25	Alcatel (1.1B)					2.50	2.25	Alcatel (1.1B)			
89	2.25	2.00	Alcatel (1.1B)					2.25	2.00	Alcatel (1.1B)			
90	2.00	1.75	Alcatel (1.1B)					2.00	1.75	Alcatel (1.1B)			
91	1.75	1.50	Alcatel (1.1B)					1.75	1.50	Alcatel (1.1B)			
92	1.50	1.25	Alcatel (1.1B)					1.50	1.25	Alcatel (1.1B)			
93	1.25	1.00	Alcatel (1.1B)					1.25	1.00	Alcatel (1.1B)			
94	1.00	0.75	Alcatel (1.1B)					1.00	0.75	Alcatel (1.1B)			
95	0.75	0.50	Alcatel (1.1B)					0.75	0.50	Alcatel (1.1B)			
96	0.50	0.25	Alcatel (1.1B)					0.50	0.25	Alcatel (1.1B)			
97	0.25	0.00	Alcatel (1.1B)					0.25	0.00	Alcatel (1.1B)			
98	0.00	0.00	Alcatel (1.1B)					0.00	0.00	Alcatel (1.1B)			
99	0.00	0.00	Alcatel (1.1B)					0.00	0.00	Alcatel (1.1B)			
100	0.00	0.00	Alcatel (1.1B)					0.00	0.00	Alcatel (1.1B)			

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### INTERNATIONAL FUNDS

December 29th, 1989

Quotations supplied by funds listed. Not all funds are quoted. The funds listed with the exception of some quoted below on issue price.

The marginal symbols indicate frequency of quotations supplied: (d) - daily; (w) - weekly; (b) - bi-monthly; (q) - quarterly; (m) - monthly

ADVERTISEMENT

INTERNATIONAL FUNDS

December 29th, 1989

Quotations supplied by funds listed. Net asset value quotations are supplied by the Funds listed with the exception of some which were based on issue price. The monetary symbols indicate frequency of quotations supplied: (d) - daily; (w) - weekly; (b) - bi-monthly; (r) - quarterly; (s) - twice weekly; (m) - monthly

<p>12.00</p> <p>11.75</p> <p>11.50</p> <p>11.25</p> <p>11.00</p> <p>10.75</p> <p>10.50</p> <p>10.25</p> <p>10.00</p> <p>9.75</p> <p>9.50</p> <p>9.25</p> <p>9.00</p> <p>8.75</p> <p>8.50</p> <p>8.25</p> <p>8.00</p> <p>7.75</p> <p>7.50</p> <p>7.25</p> <p>7.00</p> <p>6.75</p> <p>6.50</p> <p>6.25</p> <p>6.00</p> <p>5.75</p> <p>5.50</p> <p>5.25</p> <p>5.00</p> <p>4.75</p> <p>4.50</p> <p>4.25</p> <p>4.00</p> <p>3.75</p> <p>3.50</p> <p>3.25</p> <p>3.00</p> <p>2.75</p> <p>2.50</p> <p>2.25</p> <p>2.00</p> <p>1.75</p> <p>1.50</p> <p>1.25</p> <p>1.00</p> <p>0.75</p> <p>0.50</p> <p>0.25</p> <p>0.00</p>	<p>12.00</p> <p>11.75</p> <p>11.50</p> <p>11.25</p> <p>11.00</p> <p>10.75</p> <p>10.50</p> <p>10.25</p> <p>10.00</p> <p>9.75</p> <p>9.50</p> <p>9.25</p> <p>9.00</p> <p>8.75</p> <p>8.50</p> <p>8.25</p> <p>8.00</p> <p>7.75</p> <p>7.50</p> <p>7.25</p> <p>7.00</p> <p>6.75</p> <p>6.50</p> <p>6.25</p> <p>6.00</p> <p>5.75</p> <p>5.50</p> <p>5.25</p> <p>5.00</p> <p>4.75</p> <p>4.50</p> <p>4.25</p> <p>4.00</p> <p>3.75</p> <p>3.50</p> <p>3.25</p> <p>3.00</p> <p>2.75</p> <p>2.50</p> <p>2.25</p> <p>2.00</p> <p>1.75</p> <p>1.50</p> <p>1.25</p> <p>1.00</p> <p>0.75</p> <p>0.50</p> <p>0.25</p> <p>0.00</p>	<p>12.00</p> <p>11.75</p> <p>11.50</p> <p>11.25</p> <p>11.00</p> <p>10.75</p> <p>10.50</p> <p>10.25</p> <p>10.00</p> <p>9.75</p> <p>9.50</p> <p>9.25</p> <p>9.00</p> <p>8.75</p> <p>8.50</p> <p>8.25</p> <p>8.00</p> <p>7.75</p> <p>7.50</p> <p>7.25</p> <p>7.00</p> <p>6.75</p> <p>6.50</p> <p>6.25</p> <p>6.00</p> <p>5.75</p> <p>5.50</p> <p>5.25</p> <p>5.00</p> <p>4.75</p> <p>4.50</p> <p>4.25</p> <p>4.00</p> <p>3.75</p> <p>3.50</p> <p>3.25</p> <p>3.00</p> <p>2.75</p> <p>2.50</p> <p>2.25</p> <p>2.00</p> <p>1.75</p> <p>1.50</p> <p>1.25</p> <p>1.00</p> <p>0.75</p> <p>0.50</p> <p>0.25</p> <p>0.00</p>	<p>12.00</p> <p>11.75</p> <p>11.50</p> <p>11.25</p> <p>11.00</p> <p>10.75</p> <p>10.50</p> <p>10.25</p> <p>10.00</p> <p>9.75</p> <p>9.50</p> <p>9.25</p> <p>9.00</p> <p>8.75</p> <p>8.50</p> <p>8.25</p> <p>8.00</p> <p>7.75</p> <p>7.50</p> <p>7.25</p> <p>7.00</p> <p>6.75</p> <p>6.50</p> <p>6.25</p> <p>6.00</p> <p>5.75</p> <p>5.50</p> <p>5.25</p> <p>5.00</p> <p>4.75</p> <p>4.50</p> <p>4.25</p> <p>4.00</p> <p>3.75</p> <p>3.50</p> <p>3.25</p> <p>3.00</p> <p>2.75</p> <p>2.50</p> <p>2.25</p> <p>2.00</p> <p>1.75</p> <p>1.50</p> <p>1.25</p> <p>1.00</p> <p>0.75</p> <p>0.50</p> <p>0.25</p> <p>0.00</p>	<p>12.00</p> <p>11.75</p> <p>11.50</p> <p>11.25</p> <p>11.00</p> <p>10.75</p> <p>10.50</p> <p>10.25</p> <p>10.00</p> <p>9.75</p> <p>9.50</p> <p>9.25</p> <p>9.00</p> <p>8.75</p> <p>8.50</p> <p>8.25</p> <p>8.00</p> <p>7.75</p> <p>7.50</p> <p>7.25</p> <p>7.00</p> <p>6.75</p> <p>6.50</p> <p>6.25</p> <p>6.00</p> <p>5.75</p> <p>5.50</p> <p>5.25</p> <p>5.00</p> <p>4.75</p> <p>4.50</p> <p>4.25</p> <p>4.00</p> <p>3.75</p> <p>3.50</p> <p>3.25</p> <p>3.00</p> <p>2.75</p> <p>2.50</p> <p>2.25</p> <p>2.00</p> <p>1.75</p> <p>1.50</p> <p>1.25</p> <p>1.00</p> <p>0.75</p> <p>0.50</p> <p>0.25</p> 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## Hyundai Signs Deal For Soviet Venture

Compiled by Our Staff From Dispatches

SEOUL — Hyundai Group said Friday that it has signed a 30-year joint venture agreement with the Soviet Union for logging and wood processing in Siberia.

Hyundai officials said the agreement was signed in Seoul on Thursday between the South Korean industrial group and Eduard F. Grabovskiy, general director of the Forestry Office of the Maritime Province of Siberia.

They said a preliminary agreement had been reached when Hyundai Group's honorary chairman, Chung Ju-yung, visited the Soviet Union in October.

The partners plan to inaugurate the proposed 50-50 joint venture company, initially capitalized at 64 million rubles (\$105.1 million), by next April after obtaining approval from their respective governments.

The joint venture is the first major South Korean investment in the Soviet Union since the two countries decided three weeks ago to set up quasi-diplomatic consular offices in each other's capitals. The two countries exchanged trade offices earlier this year.

Hyundai Corp., the group's trading arm, and Hyundai Wood Industries Co., a Hyundai subsidiary that makes and exports furniture, plan to invest 25 percent each in the joint venture with the remainder put up by the Forestry Office of the Maritime Province, Hyundai officials said.

They said that the 30-year accord provides for the joint venture to cut annually one million square meters (35 million cubic feet) of timber in the Svetlaya area. Hyundai said the entire production would be imported to South Korea.

The production represents 10 percent of South Korea's present annual lumber imports, which come mainly from Southeast Asia and North America.

(AP, AFP)

## Korea Predicts 1989 Surplus Will Be Halved

Reuters

SEOUL — South Korea reported Friday a smaller current-account surplus for November, and said the trade measure would shrink by more than half to \$5 billion for the full year.

Provisional figures released by the central bank showed the current account surplus fell to \$4.4 billion in the first 11 months of 1989 from \$12.3 billion a year earlier.

One bank official said the won's strength against the dollar and industrial disputes hampered export growth. He added that the surplus might drop further next year.

He said exports grew only 3.6 percent to \$55.3 billion in the first 11 months of this year, while imports leapt 17.6 percent, to \$51.5 billion.

## Malaysia Refuses to Recognize Singapore's New OTC Market

By Michael Richardson

International Herald Tribune

SINGAPORE — The head of Kuala Lumpur's stock exchange warned Friday that he will not recognize a new market in Malaysian shares to be launched in Singapore next week, escalating what one broker described as a "financial war" between the two nations.

The announcement intensified concerns here about retaliatory action from Malaysia, which has already ordered Malaysian companies to delist from the Stock Exchange of Singapore.

Kuala Lumpur and Singapore have, in effect, operated as a single market for the past 16 years due to cross listings. But the two markets will split apart as cross listings are eliminated, starting Sunday.

Nik Mohamed Din Nik Yusoff, chairman of the Kuala Lumpur exchange, said Friday that the exchange would advise its brokers and investors "to have a second thought" before they use the over-the-counter market, which will deal in shares not listed in Singapore.

He added that investors who trade Malaysian stocks in the market, which opens on Tuesday, "will be exposed to certain risks which will not be evident if they deal with an official market."

Wayne Lau, a director of Peragroup Securities Ltd. in Singapore, said he did not think the Malaysian warning alone would deter many overseas fund managers from participating in the market. But Mr. Lau added that the exchange would "probably find it easy to introduce new operational measures that

could make trading on the OTC difficult."

Evidently hinting at such measures, Mr. Din cautioned that Malaysian stocks traded on the OTC system "will not be subject to listing requirements or corporate disclosure policies." He asserted that

the leading stock exchanges in the region.

The Singapore government and stock exchange then retaliated by instructing Singapore companies to delist in Malaysia and by setting up its over-the-counter market, the Singapore broker said.

Singapore's finance minister, Richard Hu, said last month that the over-the-counter system would bring the island-state closer to its objective of being a center for off-shore securities trading.

Mr. Hu added that the new system will also trade other foreign equities, including those from Hong Kong, Thailand and Australia. When it starts trading Tuesday, the exchange will offer 133 stocks listed on the Malaysian exchange and six in Hong Kong.

The separation of the two exchanges will be a heavy blow for Singapore, at least initially. The 182 Malaysian firms that will be delisted account for nearly one-third of its trading volume, and nearly half of its market capitalization.

The 53 Singapore companies to be delisted in Kuala Lumpur account for only a small part of that exchange's turnover.

"We do not know how successful the OTC system will be or how the Malaysians will react to it," said Douglas Goo, director of Kim Eng Securities Pte.

Some analysts said that the new OTC market is unlikely to develop into more than a stop-gap arrangement to cushion the loss of turnover on the Singapore exchange.

But Mr. Goo, of Kim Eng Securities, noted that trading Malaysian shares in Singapore presents an ad-

vantage for foreign institutions because it charges only a graduate commission, while Malaysia charges a flat rate of one percent of each transaction, regardless of the size.

However, Singapore's financial newspaper, Business Times, warned on Thursday in an editorial that Malaysia could eventually become more competitive and efficient. "And when it does, the attractiveness of the Malaysian stock market will become more visible given its relative size and diversity, including its huge natural resource base," the newspaper said.

Brokers in Kuala Lumpur said that Malaysia offers a wider choice for investors than Singapore, which mainly trades in hotel, real estate, banks and ship repairing.

Hafidz Hassan, an analyst with Merrill Lynch in Singapore, said that since the split in the Malaysian and Singapore exchanges was announced it had become increasingly difficult to get market information on Malaysia from Singapore.

That difficulty provides an incentive for foreign brokers to negotiate alliances with Kuala Lumpur brokers, he explained.

## Philippines to Buy Back Some Debt

Agence France-Press

MANILA — The Philippines will use part of its foreign exchange reserves to supplement aid from the United States and international agencies to buy back more than \$1 billion of its foreign debt, the Finance Department said Friday.

Officials said Manila will buy back \$1.336 billion of its foreign loans at a 50 percent discount as part of a program to reduce its \$28 billion of foreign debt.

The International Monetary Fund, the World Bank and Japan's Export-Import Bank will provide about \$471.7 million of the \$668.4 million required for the debt buy-back program.

The rest will come from Philippine exchange reserves, "reinforced by grant advances from the United States of \$95 million together with disbursement from other loans made in December 1989," the government said.

Officials did not say exactly how much would come from the country's reserves. Central Bank records show that the country's gross international reserves stood at \$1.537 billion as of October 1989.

Finance officials also said Friday that the economy will continue to grow next year but that the recent coup attempt may deter investors and fuel inflation in early 1990.

The finance secretary Vicente R. Jayme said that 1989 economic growth was expected to be 5.5 percent and would be "around the 5 to 6 percent level" in 1990.

Mr. Jayme said "1990 will be a year of continued growth," but added that inflation would continue to be a major problem at a projected 11 percent.

The impact of the coup attempt will be felt in the first half of 1990, "especially in the form of increasing inflation pressures and dampening new investments," he said.

Mr. Jayme said the inflation problem stemmed from expansionary fiscal and monetary policies,

legislated wage increases, and an increase in oil prices.

He said government measures to counteract an early downturn in 1990 include the strengthening of tax collection procedures, better management of foreign debt, and the restarting of the stalled privatization program.

Finance officials also announced a debt-rescheduling agreement with the Paris Club.

career opportunity, they are heading back to help Taiwan upgrade its technology.

"You are attached to where you grew up and feel somehow that if you can help or contribute to the growth of industry here, it's emotionally satisfying," said Mr. Chwang.

Aged 41, he earned his Ph.D. in electrical engineering at the University of Southern California and boasts 12 years of experience in North America, including five years designing computer chips for Intel. He returned last year to head the semiconductor laboratory for Acer Inc., Taiwan's largest computer firm.

While the migration is a boon to Taiwan, some U.S. researchers say the loss of such skilled people could hurt America.

"This is an issue we're very concerned about," said Ede Majure, manager of the Electronics Education Foundation for the American Electronics Association.

So far, about 500 engineers have returned to Taiwan's equivalent of the Silicon Valley, the Hsinchu Science-based Industrial Park, most of them in the past two years, said H. Steve Hsieh, park director general.

They include such luminaries as Mr. Lin, IBM's highest-ranking Taiwanese executive who directed the firm's Silicon Valley research lab before joining Acer as president this year.

To help the U.S.-trained engineers offer help to lift Taiwan from its image of copiers of products of cheap computer parts to innovative makers of more advanced product lines.

"As Taiwan's labor costs go higher and the Taiwan dollar appreciates, we can no longer stay in the low end," said Eric Hwang, marketing specialist for the Institute for Information Industry.

It is true that there are still many more

Taiwanese engineers flowing the other way. Yet that is also changing, Taiwan, a mountainous island of just 20 million people, still sends more Ph.D. candidates in engineering to the United States than any other nation in the world. They comprise one-fifth of all foreign student doctorates, according to a study last year by the National Research Council.

So long as Taiwan remained a floating factory that churned out cheap toys, shoes and garments, there was little for advanced researchers to do but teach. Thus, about 80 percent have traditionally stayed in America.

But now Taiwan has transformed itself into the sixth largest producer of computer products in the world. Its wildly expanding stock market, whose index has skyrocketed to 10,000 from 1,500 since 1986, has made entrepreneurial millionaires almost overnight.

As a result, officials said, the percentage of graduates who stay in America has dropped to about 60 percent.

"I think the 1990s will belong to the Pacific Basin," said Mr. Lin, 48, who earned his doctorate from Princeton University.

Accustomed to running billion-dollar business units for IBM, Mr. Lin was lured to Acer only because it was large enough, with 1988 worldwide sales of \$530 million, to offer the potential of becoming a major international player in the information industry.

Mr. Lin, whom IBM promoted regularly and rapidly, figures he could have kept up his career advancement. But a shot at company president is something few Americans, much less foreigners, could hope to get at IBM, making Acer all the more enticing, he said.

Many of the engineers who have come

home to Taiwan express a desire to return again to America some day. For people who have become accustomed to the space and freedom in America, Taiwan's crowding, social structures and industrial pollution can make life trying. The education of their children is a pressing problem.

Andrew Wang, who worked at IBM and Amdahl Corp. before taking a job this year with one of Taiwan's premier high-tech research companies, is worn out by all of the evening entertainment common to the Asian business culture.

After repeatedly asking his staff for opinions and getting silence, Mr. Chwang realized he was using an American management style and had to adjust.

But, so long as they are in Taiwan, the returnees say they can benefit both sides by putting people who understand American business practices into firms here.

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## From Silicon Valley, a Reverse Brain Drain Is Helping Taiwan But Could Harm U.S.

By Teresa Watanabe

Los Angeles Times Service

TAIPEI — Leonard Lin, Ronald Chwang and Andrew Wang are among the engineers from Taiwan who have played a critical role in the Silicon Valley.

Combined, they boast 56 years of experience at such high-tech shrines as International Business Machines Corp. and Intel Corp. They possess advanced skills in the core technology of the information age, the integrated circuit. And they hold doctorates from top U.S. universities.

The three men also reflect a potentially troubling trend for America: They have decided to leave the United States and head back home.

In a reverse brain drain, a growing number of Taiwanese engineers educated and trained in America are doing likewise. Pulled by calls to patriotism and

career opportunity, they are heading back to help Taiwan upgrade its technology.

"You are attached to where you grew up and feel somehow that if you can help or contribute to the growth of industry here, it's emotionally satisfying," said Mr. Chwang.

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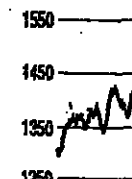
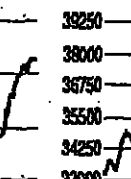
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## Investor's Asia

Hong Kong Hang Seng		Singapore Straits Times		Tokyo Nikkei 225	
					
2300		1500		3250	
2600		1400		3500	
2900		1300		3800	
J A S O N D 1989		J A S O N D 1989		J A S O N D 1989	
Exchange	Index	Friday's Close	Prev. Close	% Change	
Hong Kong	Hang Seng	2836.57	2895.43	-2.03	
Singapore	Straits Times	1481.33	1484.47	-0.21	
Sydney	All Ordinaries	1649.00	1648.80	-0.01	
Tokyo	Nikkei 225	38915.87	38876.94	+0.10	
Kuala Lumpur	Composite	562.28	564.65	-0.42	
Bangkok	Book Club	767.99	781.42	+0.86	
Seoul	Composite Stock	Closed	906.72		
Taipei	Weighted Price	Closed	9624.18	+0.01	
Manila	Composite	1104.57	1104.50	+0.29	
New Zealand	Barclays	1994.17	1988.39		
Bombay	National Index	Closed	419.13		



## SPORTS

# Bo Schembechler: Last Run for Roses

## Coach Gets a Parting Shot at Bowl

By Joe Lapointe  
New York Times Service  
ANN ARBOR, Michigan — The Rose Bowl in Pasadena, California, a postseason college football game often called "the granddaddy of 'em all," began in 1902 with a Michigan victory over Stanford.

On Monday, Michigan plays again in Pasadena for the 10th and final time under Bo Schembechler, who knows the bowl well as the site of his greatest frustration and worst luck.

Schembechler, the dean of Big Ten Conference coaches and the senior statesman of his profession, is leaving coaching for reasons of health next week after his team meets Southern California.

He is 60 and has survived one heart attack, one near heart attack and two bypass operations.

Despite a winning percentage of .799 in his 21 seasons at Michigan, Schembechler's Wolverine teams have won only two of their nine Rose Bowl games.

"It's important, of course it's important," Schembechler said of the Rose Bowl and his place in its history, "but it's not going to kill me."

Schembechler paused and chuckled, something he does frequently when talking of his lack of success in postseason play.

"What I mean is, 'How much success is necessary for you to be satisfied?' You've got to have some setbacks."

The first came almost 21 years ago on his first trip to the Rose Bowl in his first season at Michigan.

Schembechler spent game day in a hospital after a heart attack.

Larry Smith, then a Michigan assistant and now the head coach of Southern California, remembers the scene.

"We came to California two weeks before the game and we were practicing twice a day," he said. "We had a big scrimmage on Christmas Eve. Bo was doing twice as much work as everyone else and he worked himself to the bone."

Schembechler became ill on New Year's Eve. Some of his assistants visited him a few hours before the game.

"Bo was laying on that table with all those tubes hooked up to him and he was studying his game plan," Smith said. "Bo still expect-

ed to coach the game! The doctors told him he couldn't."

Michigan lost to USC, 10-3. It proceeded to lose its next four Rose Bowl appearances, despite being favored in each one.

In 1980, Michigan lost in the Gator Bowl, 17-15, to North Carolina, to lower Schembechler's post-season record to 0-7. One national magazine called him the most overrated coach in the country.

His bowl-game fortune began to change in the 1980s.

First was a 23-6 victory over Washington in the 1981 Rose Bowl, followed by a 33-14 victory over the University of California at Los Angeles in the Bluebonnet Bowl.

In their last nine bowl games, Schembechler's teams are 5-4. In his last four Rose Bowl games, Schembechler is 2-2, including a 22-14 victory over USC last season.

A victory Monday would not only give Michigan its first back-to-back Rose Bowl victories under Schembechler, but it also would leave the No. 3 Wolverines in position for the possibility of their first national championship in his tenure.

"I know the guys all laugh when I say it, but a national championship is not that important to me," Schembechler said. "In all seriousness, the thing that people fail to realize is that, when you look at a coaching career, I don't pick out any specific thing or season or game or things like that."

"Coaching is whether you've had enough success that it's been enjoyable. You've had a lot of fun, and you've made a lot of friends."

Schembechler has referred to the Michigan campus as "my campus" and to Michigan Stadium as "my stadium."

He sometimes preaches from his bully pulpit in Ann Arbor, where recruiting irregularities, players paid by agents and athletes in trouble with the law are as rare as hot days in late December.

"I will not cheat," Schembechler said in his book, "Bo," written with Mitch Albom. "Nothing we do is worth cheating over. Nothing we do is worth selling our souls. And nothing we do is worth feeling like a pimp."

A protégé of Ohio State's Woody Hayes, Schembechler has always emphasized the running game, rais-

ing accusations of being old-fashioned. But over the years, he mixed more pass plays into his list, and recruited athletes such as Anthony Carter, who could catch the ball, and Jim Harbaugh, who could throw it.

Still, he did not change his Heisman football philosophy very much. "I'm still old-fashioned enough to think you've got to beat the other team up physically," he said recently.

"Football," he once said, "is the American game that typifies the old American spirit. It's physical. It's hard work. It's aggressive. It's kind of a swashbuckling American sport."

"You're in battles in which, no matter how you add it up, the entire personality and character of a person is bared in football. Football is not going to die. It is our American heritage."

And, for better or for worse, Schembechler's football legacy will be, in large part, his history at the Rose Bowl, with the last page in the final chapter about to be written.



SCORING 6 FOR OLE MISS — Reid Hines of Mississippi catching a touchdown pass against Air Force's Robert Lietzke in the Liberty Bowl, which Ole Miss won, 42-29. In another game, the All-American Bowl, No. 24 Texas Tech upset No. 20 Duke, 49-21.

# In Sugar Bowl, Alabama and Miami Try to Live Up to Winning Traditions

The Associated Press

NEW ORLEANS — Bill Curry played football for a coaching legend, Vince Lombardi, so he knows all about winning.

But coaching at the University of Alabama has taught Curry something else. He's learned what it is to never win enough.

"For me, I aim for what Bear Bryant did here," Curry said of the man who coached Alabama to a 103-16-1 record in the 1970s and won two national titles. "Even though I'll never be his equal."

Dennis Erickson's job at the University of Miami has been a little easier. He did not replace a legend, only the coach of college football's team of the 1980s.

"I've never worried about following Jimmy Johnson's footsteps," he said.

So far, Erickson is doing pretty well in his first season with the Hurricanes at winning friends and football games. Second-ranked Miami goes into Monday night's Sugar Bowl against Alabama with a chance at its third national championship of the 1980s.

Curry has done well, too, going 26-9 in three seasons. Like Miami, the seventh-ranked Crimson Tide is 10-1 this year, but Alabama's season-ending loss to

Auburn took the team out of the national title picture and that, in the minds of many folks back home, means it was another bad effort.

Curry's critics say, and likely always will say, that the Bear would have done better.

"You're dealing with Bear Bryant, probably the greatest coach ever," Erickson said. "What Bill has done, coming into the situation he came into, is unbelievable."

"We're very comparable. I know he had some controversy when he came in, kind of like when I succeeded Jimmy Johnson. But I have not had it as bad as he did."

When Alabama lost its homecoming game to Mississippi in 1983, a fan threw a brick through Curry's office window. When the Tide went 7-5 in Curry's first season, the hate mail and phone calls came.

Erickson, who was the target of negative letters after Miami's only loss, a midseason defeat by arch rival Florida State, said: "The biggest thing about making a transition to a new place is getting to know your players, developing a comfort zone with them. I think we've done that. But I don't know if it's ever over with your fans."

# On Road to No. 1, 2 Coaches and Their Words to Win By

By Sally Jenkins  
Washington Post Service

MIAMI — The University of Colorado's football coach, Bill McCartney, and Notre Dame's Lou Holtz, share this: When they speak, others listen.

McCartney's words are smooth, sometimes mesmerizing.

"We wonder if he sits there late at night thinking them up," defensive lineman Oakland Salavea said.

Holtz's voice seems too big for his body, a deep bass. And when he says, "Listen up," the Fighting Irish sit straight in their chairs.

They're just a couple of coaches, in sneakers and warm-ups and billed caps, guys who hauled themselves up from working-class backgrounds. But they come on like world leaders.

Holtz's invocations and McCartney's exhortations bound teams that might have been sundered by controversies this season, but instead will meet in the Orange Bowl on New Year's night with national championship opportunities.

Colorado is unbeaten (11-0), and No. 1 for the first time in school history; No. 4 Notre Dame (11-1) is attempting a second straight title.

Notre Dame lost 14 players in preseason to injury, discipline and academics. The Irish were criticized for brawling with opponents, negotiated a schedule that included nine bowl games and saw their 23-game winning streak broken in the season's last game, by Miami.

"There's never been a football team that had the adversity this one has," Holtz said. "If it's ever going to happen again, I won't be in coaching."

But that is probably just another overstatement by Holtz, who is one of the most complicated personalities in coaching.

Holtz was raised in East Liverpool, Ohio, where he was headed for nothing more than a job in a mill until a high school coach persuaded him to play football at Kent State as an undersized linebacker.

One pattern has remained constant in his career: overachievement, whether as a diminutive linebacker or a frail, bespectacled coach with iron will. He produced landmark records at every school where he's coached, from William and Mary to North Carolina State to Arkansas. He's not a good loser.

Dame's claim as the most burdened college team in the country. Quarterback Sal Amese died of stomach cancer this fall. A total of 24 players had been arrested over the previous two years, two charged with rape. When Amese died in October, McCartney stood up at a memorial service and for the first time publicly acknowledged that his daughter Kristy had a child out of wedlock by Amese.

McCartney has not had it easy in his eight seasons as the Buffaloes' head coach. By going undefeated this season he finally got over the .500 mark, with a record of 46-44-1.

McCartney, 49, is an engaging man with a shock of salt-and-pepper hair and a rare but rewarding smile. He comes from outside Detroit and is possessed of a hard, born-again spiritualism that sometimes gets him in trouble. He was criticized earlier this season when he chose to speak at an anti-abortion rally and some years ago for displays of religious zeal.

That same quality, however, makes him a figure to be reckoned with as a coach. He is an inspired recruiter, who can go into a Los Angeles ghetto, pull up a chair next to a player desired by Southern California and the University of California at Los Angeles and coax him to Colorado.

"There's only one word I can use to sum up Coach Mac: aggressive," defensive lineman Salavea said. "But he's also sensitive to the things we do on and off the field. You can sit there about to fall asleep, but when he starts to speak he wakes you up and makes you want to play football. He's a good person, and a friend of mine."

Colorado's rise to prominence coincided with McCartney's recruiting some superb athletes from inner-city areas. But some of that talent brought problems. Racial tensions may have played a role in football players' troubles on the predominantly white campus.

A victory Monday, McCartney said, could change the team's fortunes for years, and he has promised one of his greatest speeches. But this is one occasion when it isn't needed. "I don't have to spell it out for them," he said.

## BOOKS

### TAKE TIME FOR PARADISE: Americans and Their Games

By A. Bartlett Giamatti. 113 pages. \$16.95. Summit Books, 1230 Avenue of the Americas, New York, N.Y. 10020.

Reviewed by  
Christopher Lehmann-Haupt

I would be reassuring to be able to share the idealism with which A. Bartlett Giamatti, the late commissioner of major league baseball, views American sports in his extended philosophical essay "Take Time for Paradise: Americans and Their Games."

At the heart of his treatise, which he completed shortly before his death on Sept. 1, Giamatti makes a profound if elusive point. He takes issue with a thesis that he believes has been best articulated by Allen Guttman in "From Ritual to Record" (Columbia University Press, 1978) — namely that with the coming of the Industrial Revolution 175 years ago, sport underwent a profound alteration.

Where once it had been a matter of ritual, it became a matter of mere record — "the remains of a vanished world." As Giamatti summarizes Guttman's conclusion, which I am quoting because it is, paradoxically, perhaps the most eloquent passage Giamatti writes in his book:

"At its worst, sport is the pointless, if widely enjoyed, detritus of an industrial

society — a kind of non-toxic pollutant, junk food for the spirit, without nourishment, without history, without serious purpose. At its best, sport is the remnant of an Edenic world, now gone, mere maypole dance without the maypole — fun, redolent of nostalgia, and, probably because of the physical exertion required, good for your heart or maybe your character, but no longer meaningful for serious folk, except, of course, as occasions to moralize. All this because the maypole now carries telephone lines."

On the contrary, Giamatti insists, "sports are in today's world what they were in yesterday's very different one — a shared moment of leisure."

For him, sports continue to represent "a shared vision of how we continue, as individual, team, or community, to experience a happiness or absence of care so intense, so rare, and so fleeting that we associate their experience with experience otherwise described as religious."

Through sports, we continue to aspire to go "back to a freedom we cannot recall, save as a moment of play in some garden now lost."

It would be pleasant to share what Giamatti so passionately avows. But it is difficult to do so. For one thing, his refutation of Guttman's views is not decisive.

Where the post-industrial perspective holds that sports were altered by the departure of the gods from the earth, so to speak, Giamatti believes that "the gods have always been essentially absent," that sport was never intended merely "to please or appease the gods."

but instead to celebrate itself and the freedom implicit in its ritual.

But it is difficult to accept that the gods did not once upon a time seem less remote to people than they do in the present post-industrial age, especially when you contrast the ritual of the ancient Olympic Games and medieval tournaments, or at least how you imagine them, with the rioting of frenzied European soccer crowds or the drunken brawling that so often breaks out in U.S. sports arenas.

And while it is easy enough to accept Giamatti's argument that the fan's participation in sports is non-utilitarian — or what less charitable commentators might call pointless — it is hard to equate the manic glee of victory and the sour frustration, say, of watching a quarterback fumble the ball or throw yet another interception with anything remotely resembling a religious experience.

True, Giamatti confronts the presence of snakes in the garden of Eden by analyzing how delicate is the community of sport and how easily corrupted it is by cheating or substance abuse or excessive worship of its heroes. But this concession on his part seems less responsive to the secularism of modern society than it does to specific (but unidentified) problems that he encountered during his brief tenure in the baseball commissioner's office.

Christopher Lehmann-Haupt is on the staff of The New York Times.

## BRIDGE

By Alan Truscott

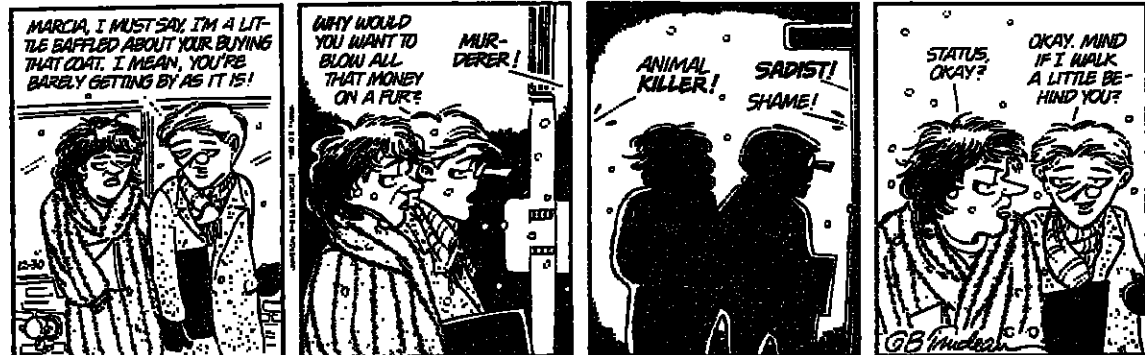
ONCE there were six, then five, and now there are six again. Major bridge magazines in the English language suffered a loss in August when International Bridge ceased publication, but it will reappear, phoenix-like, in January with a new title and new publisher: Bridge, c/o Pergamon Press, Railway Road, Sutton Coldfield B73 6AZ, Britain. The revived Bridge magazine now has its fourth name in its 63-year history. Its most famous editor was the late Ewart Kempton, who described the diagrammed deal with suitable humility. Playing East in a match, he had permitted four hearts to make by allowing dummy to win the first trick after a diamond lead. He was not worried, because he thought the game would make with any defense: after one diamond ruff the declarer still makes an overtrick. He found with dismay that his teammate had failed, and wrote this:

"Before sending for the tumbler and guillotine, take a look at the defense. Again a diamond was lead. East played the ace, but led back the king of spades. The declarer can afford to lose one trump and one spade, but if he finds the adverse trumps four and two — the most probable division — he may easily lose two spades. So the nine of spades was played on East's king and East continued with the queen. The ace of spades was followed by the ten of spades. East over-ruffed dummy and led a diamond to defeat the contract."

NORTH			
♠	9	♠	8
♥	QJ83	♥	AKQ
♦	AQJ83	♦	1075
♣	AKQ	♣	A874
WEST (D)		EAST	
♠	J87432	♠	1075
♥	10	♥	AKQ
♦	10	♦	AKQ
♣	AKQ	♣	1075
SOUTH			
♠	A10	♠	9
♥	AQ854	♥	1075
♦	1075	♦	AKQ
♣	AKQ	♣	1075

North and South were vulnerable.  
The bidding:  
West: 1♠, 2♠, 3♠, 4♠.  
East: 1♠, 2♠, 3♠, 4♠.  
South: 1♠, 2♠, 3♠, 4♠.  
West led the diamond 10.

## DOONESBURY

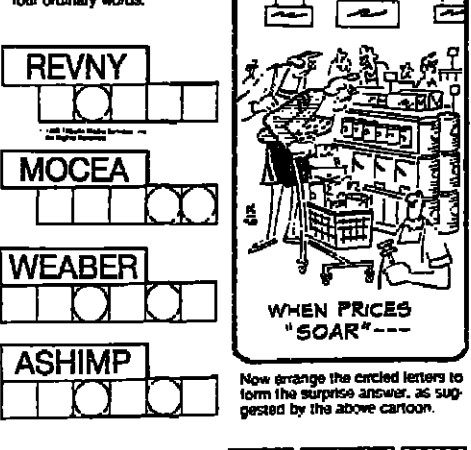


## DENNIS THE MENACE



## JUMBLE

Unscramble these four jumble words, one letter to each square, to form four ordinary words.

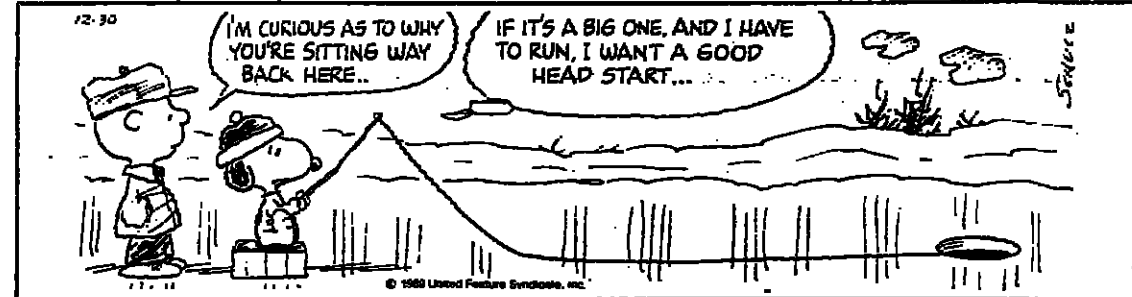


Print answer here: \_\_\_\_\_

## BLONDIE



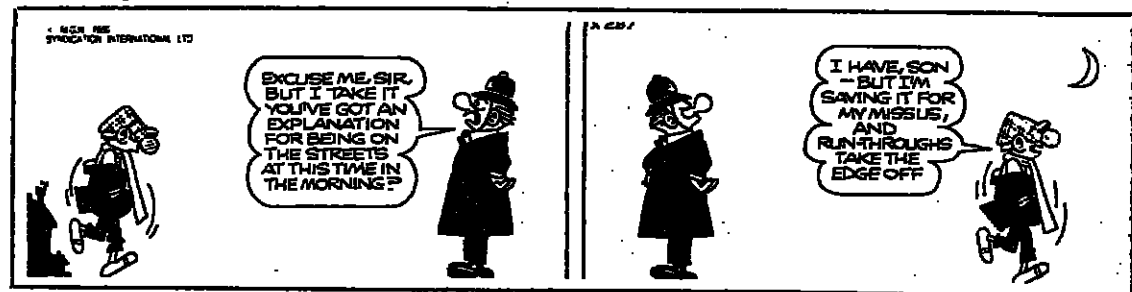
## PEANUTS



## BEETLE BAILEY



## ANDY CAPP



## WIZARD of ID



## REX MORGAN



## GARFIELD





## SPORTS

## VANTAGE POINT/Ira Berkow

## A Season for Heroes

NEW YORK — On Christmas Day, between "A Christmas Carol" and caroling, there was shown on television a documentary on the life of the U.S. Supreme Court's late chief justice, Earl Warren.

Perhaps it was a coincidence, but it seemed totally appropriate on that day: a day of hope for millions all over the world, a day that symbolizes the lifting of spirits and a day for dreams of a future joyful and triumphant.

I had occasion to interview Warren at the Supreme Court in May 1974, on the 20th anniversary of the landmark decision mandating that schools be racially integrated, *Brown v. Board of Education*. That ruling did more for building the dreams of many Americans than perhaps any other court decision in the history of this country.

Warren, a hero to many, spoke about a hero of his, Henry Aaron, who, the month before, had passed Babe Ruth as the career home-run leader in major league baseball. Warren admired the way Aaron went about his business.

"He plays with dignity and a quiet purposefulness," Warren said. "And can hit that ball!"

In a time when the world is changing so dramatically, for good and sometimes for bad, it may seem that sports hardly have a place. But at their best, sports and athletes can demonstrate and even provide the elements that we prize so much in the holiday season: the hope, the joy, the triumph.

There are the more obvious moments, as seen in the soon-to-end decade of the 1980s: Kirk Gibson of the Los Angeles Dodgers, injured but hobbling to the plate to pinch-hit in the bottom of the ninth inning and win a World Series game with home run; or Doug Williams of the Washington Redskins, the first black quarterback to lead a team to the Super Bowl, and a Super Bowl victory; and Sugar Ray Leonard, making his brilliant comeback with a pugilistic skill that combined the best of Nijinsky, Benny Leonard and Manolete.

But the style, the attitude, the persona of some athletes can be at least as significant and inspirational as the final reckoning. "For me," John Updike wrote, Ted Williams "is the classic ball player of the game on a hot August weekday, before a small crowd, when the only thing at stake is the tenuous difference between a thing done well and a thing done ill." Williams, he wrote, "has so constantly brought to the plate that intensity of competence that crowds the throat with joy."

When Ed Macgregor was asked why he always tried so hard, he replied that every day there were people who had come to the ballpark who had never seen him play, and he didn't want to disappoint them. The use of the word "role model" in sports is vastly overdone. Some would have all athletes be used as beacons. It doesn't work. A booziness, a laziness, an avarice, an ignorance too often take the place of art and craft and will and desire.

Too often, the athletes appear insular, caught up with themselves, playing either too much to the crowd, or to their own peevishness. "The attention of the artist," wrote David Mamet about actors, in an observation also applicable to athletes, "must be focused outward, not on what he is feeling, but on what he is trying to accomplish."

So there is the beauty of Magic Johnson and Larry Bird in basketball as the consummate team players; or of Nolan Ryan in baseball, who seems to throw harder as he gets older, defying the adage that the older a man gets the faster he could run, or throw, as a boy. Another Supreme Court justice, William O. Douglas, found inspiration from a track star.

Douglas had suffered from polio as a boy in Yakima, Washington, and there was doubt that he would ever walk again. He did, and even became a miler on his high school track team.

He was a fan of Paavo Nurmi, the great Finnish distance runner and Olympic champion.

"Nurmi stood for excellence," Douglas said. "I've learned that everyone has a capacity to be excellent at something, whether it be needlepoint or high-jumping or anything else."

Once when Douglas was in Helsinki, Nurmi's hometown, he spent an afternoon between plane flights looking for his idol.

"I wanted to tell him how much I admired him, and that he was the fastest thing on two legs," Douglas said.

"But every place I went, they said he had just left," the justice recalled. "I never did find him to tell him."

## In Wild-Card Games, Health and Mind-Set May Be Decisive

New York Times Service  
When the Los Angeles Rams play the Eagles in Philadelphia on Sunday in the National Football Conference wild-card game, the difference between the teams may be in their health.

The Rams have suffered so many recent injuries to their defense that

## NFL PREVIEW

they may be unable to stop Randall Cunningham, the Eagles' elusive quarterback.

The Rams and the Eagles finished second in their divisions, each with an 11-5 record.

If the Rams win, they will play the Giants the following Sunday at Giants Stadium. If the Eagles win, they will meet the 49ers the following Saturday in San Francisco and the Minnesota Vikings will play the Giants the next day at Giants Stadium.

The Eagles have the home-field edge, but they also may have an advantage because they are used to playing in cold weather. The Rams, however, held up well in the cold last Sunday, beating the Patriots in Foxboro, Massachusetts.

While the Rams have survived the cold, their defense has not done well with injuries in recent weeks. Doug Reed and Bill Hawkins, defensive ends, and Tony Newman and James Washington, defensive backs, have gone on injured reserve.

Defensive end Mike Piel is sidelined for at least another week with a broken elbow. Clifford Hicks, a

cornerback who plays in passing situations, is hurt but playing.

The Rams have patched up the defense, but not that well. Sean Smith, who played for the Chicago Bears last year, is filling in at defensive end. Brian Smith, a rookie, has been playing some there. They are among the young defensive players with little or no playoff experience.

That defense must contend with an offense that revolves around Cunningham's passing and his ability to escape the pass rush. Because of injuries, the Rams may not get enough of a pass rush, even when they use their 2-5 defense designed to pressure the passer.

So the Eagles should be able to make big passing plays, especially with a tight end as effective as Keith Jackson. The Rams should be able to make big plays because they have a big-play quarterback in Jim Everett and excellent wide receivers in Henry Ellard, Flipper Anderson and Aaron Cox.

The Rams have been up and down. They won their first five games, lost the next four when Everett was hampered by a bruised hip, then won six of their last seven.

This is their sixth time in the playoffs in seven years under Coach John Robinson. They have six Pro Bowl players, including three offensive linemen: Tom Newberry and Jackie Slater at tackle and Doug Smith at center. Their offensive line has vast experience.

Everett ranks first in the league in TD passes (29), second behind Don Majkowski of the Green Bay

Packers in passing yardage (4,310) and third behind Joe Montana of the 49ers and Boomer Esiason of the Cincinnati Bengals in pass-efficiency rating (90.6).

The Eagles' defense is aggressive. It has made 24 more interceptions and fumble recoveries than its offense has given away. One concern is at cornerback, where Eric Everett has not fared well in replacing the injured Eric Allen.

The heart of the Eagles is the defensive line of Reggie White and

Clyde Simmons at end and Jerome Brown and Mike Pitts at tackle. The heart of the Rams is that veteran offensive line, so the game may hang on the battle between the two units. Buddy Ryan, the Eagles' coach, thinks so.

"It will be up to our defensive line to decide how far we go in the playoffs," he said. "If they play like they should, they'll take us to the Super Bowl. If they don't, we won't make it. Nevada oddsmakers have made the Eagles three-point favorites."

## AMERICAN CONFERENCE

Pittsburgh (9-7) at Houston (9-7): Two distinctive coaches, Chuck Noll of the Steelers and Jerry Glavina of the Oilers, will be the 12th men in their wild-card game Sunday.

The Steelers could be so loose — after all, how many people really expected them to be here? — that their happy frame of mind could float them into the Astrodome.

And the Oilers could be so tight that their heads might still be tilted the wrong way. They needed one victory in their last two games to win the division and did not get it, losing 61-7 to the Bengals and in the last minute to the Browns.

Enter the coaches. Each had a big job to do for this game. The Steelers have lost twice to Houston this season, but the second game, on Dec. 3, produced the Steelers' only loss in their final six games.

It has been a remarkable stretch for Pittsburgh. After being blown out in their first two games by Cleveland and Cincinnati by a 42-0 score, they struggled to a 9-6 record. Noll kept them on course, however, and they finished the season with three straight victories.

The Steelers' offensive line, a patchwork earlier because of injuries, now works well in front of a two-back offense of Tim Worley and Merrill Hoge. In the first 10 games, the Steelers averaged 30 yards a game rushing; in the last six, they averaged 150.

And there is enough trickery with Louis Lippis, the wide receiver, often running out of the backfield, to unsettle the defenses.

Bobby Brister has been asked by Noll to be a conservative quarterback, with short-to-medium throws. Let the runners do the work. Don't make mistakes.

Still, he has been able to connect deep with Lippis often enough to generate an 18.9 yards-per-catch average for the receiver.

As a result, the sure-handed Steelers have been blessed with a remarkable turnover turnaround: from last in the conference last season to a first-place tie with Denver this campaign.

The Steelers' ability to force mistakes, while holding on to the ball, is a critical factor. The Oilers are 7-1 at home this season, and have won 18 of their last 22 starts there. In Pittsburgh, however, they face a team that was 5-3 on the road.

Warren Moon will have to get the Oilers moving early. He led them to a 27-0 rout over Pittsburgh in their first meeting, then a 23-16 decision the next time.

The Oilers have done far more damage with their Red Gun alignment of four wide receivers than with their four running backs: Alonzo Highsmith, Allen Pinkett, Lorenzo White and Mike Rozier.

Each of the four wide receivers — Drew Hill, Ernest Givins, Haywood Jeffries and Curtis Duncan — has at least 43 receptions. The Oilers are favored by six points.

## A Year's Worth of Injuries Snags Playoff Contenders

The Associated Press

The four teams playing in the wild-card games Sunday all are hampered by injuries to players.

The National Football League supplied the following "injury report" for the four teams, listing the injured players, their positions, their injuries and their status.

Los Angeles Rams: Tony Slaton, guard, ankle; Brett Faryniarz, linebacker, hamstring; Shawn Miller, defensive tackle, groin; Mike Piel, defensive tackle, elbow. All are considered questionable for Sunday.

Philadelphia Eagles: Jerome

Brown, defensive tackle, shoulder; Keith Byars, running back, ribs; Ken Reeves, tackle, ankle; David Little, tight end, knee; Ron Solt, guard, knee; Eric Allen, cornerback, ankle; Eric Everett, cornerback, ankle. All are questionable.

Pittsburgh Steelers: Gerald Williams, nose tackle, concussion; Carnell Lake, safety, chest; John Rienstra, guard, neck. All are probable.

Houston Oilers: Ray Childers, defensive end, leg, is doubtful; Chris Verburgh, tight end, knee, and Richard Byrd, defensive lineman, back, are questionable. Bubba McDowell, safety, ankle, is probable.

## After the Fight, They Decided to Play Hockey

The Associated Press

CHICAGO — Remember the old joke about the fellow who was watching a fight, only to have a hockey game break out? It happened in Chicago Stadium.

A half-hour before the scheduled start of a National Hockey League game Thursday night, the Minnesota North Stars and Chicago Blackhawks got into a brawl at the end of their warm-up session.

Wingers Shane Churla of Minnesota and Wayne Van Dorp of Chicago were the main event, although every player eventually squared off for some pushing and shoving.

"I think our guys are just edgy right now," said the Minnesota coach, Pierre Page. "If you know our situation (one win, one tie in the last 13 games), you'll understand that."

The pre-game festivities apparently worked: Minnesota skated to a 1-1 tie with the Blackhawks.

The Chicago coach, Mike Keenan and Van Dorp contended that Minnesota started the inci-

dent. For his part, Churla wasn't going to get into another argument. He ducked into the training room.

"(Basil) McRae and Churla intentionally took a swipe at Van Dorp," Keenan said. "Hopefully, they'll be suspended."

"This is NHL hockey and this doesn't belong here," said Van Dorp, his right arm slashed and his forehead cut during the fight. "They were skating on our side of the ice, poking our players and taunting them."

"I don't know if he (Churla) wanted to play or what," Van Dorp said. "He got to play and I didn't because I had to go to the hospital."

Neal Broten scored the Minnesota goal at 7:35 of the first period. Chicago's Denis Savard answered with a power-play goal at 16:50 of the second period.

"It was a fun game," Broten said. "Some playoff games aren't even quite that intense."

Pavelich said the teams can be fined up to \$25,000 for taking part in the brawl.



The Minnesota North Stars and the Chicago Blackhawks of the National Hockey League joining forces for a little pre-game action.

## Hundreds Mourn Martin at Funeral

United Press International

NEW YORK — Baseball fans said goodbye Friday to Billy Martin, lining the aisles of St. Patrick's Cathedral here for the funeral of the manager who lived and died with a touch of the outlaw.

Hundreds of fans, including former President Richard Nixon, attended the one-hour service that started in midtown Manhattan. A few chants of "Bill-ee, Bill-ee" arose in the street as the coffin left church.

When the hearse pulled away, applause filled the street for the man who managed the Yankees five times and led them to their World Series victory in 1977.

"We gather here this morning not to celebrate Billy's way of life but to pray that his is a safe slide into home plate," said the Reverend Edward B. Broderick, who celebrated the Mass.

Even as Martin received his funeral, however, controversy swirled around him. A New York Daily News article quoted sources who said that Martin was too drunk to drive home on Christmas night, when he died as a passenger in his pickup truck. The truck was driven by a longtime friend, William Reedy.

The Internal Revenue Service has filed a lien against Martin's estate, saying he owed more than \$85,000 in back taxes. Martin owed taxes for 1981, 1982 and 1988, said Laurie Ruffino, an IRS spokesman in Buffalo, New York.

Ruffino said the IRS filed the lien Dec. 26, in Broome County. Ruffino said the lien for 1981

"We gather here this morning not to celebrate Billy's way of life but to pray that his is a safe slide into home plate." Edwin B. Broderick

filed against the estate asks for \$10,988.44. For 1982, the IRS lien asks for \$38,381.35. For 1988, the IRS said Martin owed \$66,767.31, Ruffino said.

Neither of those stories, nor the memory of Martin's many altercations, dimmed the affection in the crowd Friday. Fans overflowed the cathedral.

## Georgia Tech Beats Pitt As Freshman Sparkles

The Associated Press

When Kenny Anderson left New York City to enroll at Georgia Tech, he was tagged as a future star. The future is now.

"I just played well," Anderson understated after the freshman had 32 points, 12 rebounds and 16 as-

## COLLEGE BASKETBALL

sists Thursday night in leading No. 14 Georgia Tech over Pittsburgh, 111-92, to win the Kuppenheimer Classic basketball tournament in Atlanta.

Georgia Tech (8-0) is off to its best start since the 1962-63 season when the Yellow Jackets won their first 11 games.

Pittsburgh (5-5) pulled within four points early in the second half, but Tech went on a 21-9 run, sparked by Brian Oliver's eight points, to take a 78-58 lead. The Panthers got no closer than 17 after that.

Anderson was named the tournament's most valuable player.

No. 1 Syracuse 85, Lafayette 64: Billy Owens and Stephen Thompson each scored 17 points in Syracuse, New York, as the Orangemen won their ninth straight game.

No. 5 Michigan 102, Northern Michigan 74: Loy Vaught scored 20 points and Terry Mills 18 in Ann Arbor, Michigan, as the National Collegiate Athletic Association champions won their ninth straight victory.

No. 10 Indiana 94, Texas A&M 66: Freshman Calbert Cheaney scored 21 points as Indiana won the Hoosier Classic in Indianapolis and improved its record to 10-0, its best start in seven years.

No. 13 Duke 101, Drake 77: Christian Laettner scored 20 points, Robert Bricker 19 and Phil Henderson 16 for the Blue Devils (6-2) in a first-round game in the Rainbow Classic in Honolulu.

No. 20 La Salle 76, Florida 69: Lionel Simmons scored 33 points, including six of his team's last eight, as La Salle (7-0) won the Sugar Bowl Classic in New Orleans.

No. 21 Arizona 74, Penn State 55: Matt Othick scored 17 points and Arizona's defense held Penn State to 30 percent shooting as the Wildcats (4-2) advanced to the finals Saturday of the Fiesta Classic in Tucson, Arizona. They will play Purdue, which beat Wake Forest, 66-52.



TAKE THAT, DEFEAT — Yannick Noah of France responding Friday to a loss in the Hopman Cup mixed team tournament in Australia. He and Isabelle Demongeot lost to the Czechoslovak team.

## SCOREBOARD

## BASKETBALL

## NBA Standings

## EASTERN CONFERENCE

## Atlantic Division

W	L	Pct	GB
New York	19	7	.731
Boston	14	11	.562
Philadelphia	14	12	.538
Washington	12	15	.444
New Jersey	9	19	.316
Miami	7	22	.243

## Central Division

W	L	Pct	GB
Chicago	17	9	.654
Indiana	18	7	.727
Detroit	17	10	.630
Atlanta	16	10	.615
Milwaukee	12	13	.480
Cleveland	9	14	.393
Orlando	8	19	.291

## WESTERN CONFERENCE

## Midwest Division

W	L	Pct	GB
San Antonio	19	6	.760
Denver	18	9	.669
Utah	18	9	.669
Portland	14	12	.538
Houston	12	16	.429
Minnesota	6	21	.222
Charlotte	5	20	.200

## Pacific Division

W	L	Pct	GB
L.A. Lakers	20	6	.769
Portland	18	7	.727
Seattle	18	7	.727
Phoenix	11	12	.476
Golden State	10	15	.400
Sacramento	6	20	.231

## THURSDAY'S RESULTS

## New York

20	36	19-104
21	21	38-104

## New Jersey

20	36	19-104
21	21	38-104

## Houston

20	36	19-104
21	21	38-104

## San Antonio

20	36	19-104
21	21	38-104

## Dallas

20	36	19-104
21	21	38-104

## SOUTH

## Jacksonville

20	36	19-104
21	21	38-104

## New York

20	36	19-104
21	21	38-104

## Houston

20	36	19-104
21	21	38-104

## San Antonio

20	36	19-104
21	21	38-104

## Dallas

20	36	19-104
21	21	38-104

## MIDWEST

## Birmingham

20	36	19-104
21	21	38-104

## New York

20	36	19-104
21	21	38-104

## Houston

20	36	19-104
21	21	38-104

## San Antonio

20	36	19-104
21	21	38-104

## Dallas

20	36	19-104
21	21	38-104

## SOUTHWEST

## Long Beach

20	36	19-104
21	21	38-104

## New York

20	36	19-104
21	21	38-104

## Houston

20	36	19-104
21	21	38-104

## San Antonio

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